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Series A1838

Control symbol. 3034/11/161 Part 17

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Decision maker R. George

Designation: APS 4

Date: 13 March 2007



Department of Foreign Affairs

RE 8

File Number 3034/11/161

Part Number 18 17

**FILE  
CLOSED**

This part opened on 29/2/72

This part closed on 29/5/75

Subsequent correspondence on Part/~~File~~ Number 18



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**SECRET**

File No. 800/152: 860/152  
800/157/1: 800/35

Record of Conversations with Mr P. Habib, Assistant  
Secretary for the Far East and U.S. Ambassador D. Newsom

on 29 May 1975

I had breakfast with Habib during his visit to Jakarta and also discussed his visit at some length with United States Ambassador Newsom last night.

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2. Habib was very well received indeed here, seeing most persons involved at high level in the policy formulation process in Indonesia. He saw President Soeharto, Foreign Minister Malik, Minister for Economic Affairs Widjojo, the Head of BAKIN General Yoga, the Deputy Commander of the Armed Forces General Surono, the Minister for Justice Professor Mochtar, the Minister for Finance Ali Wardhana, the Head of Pertamina Ibnu Sutowo and also Generals Benny Moerdani and Ali Murtopo.

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3. Habib encountered general uncertainty about United States' future intentions in South East Asia. These doubts had not been related as much to the Executive and the Administration as to possible Congressional and popular attitudes to continued United States involvement in Asia.

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5. I asked what the Indonesian response was to these reassurances. Newsom said that the President had said that Habib's presentation was "encouraging" but Newsom added Indonesian uncertainties had not been entirely removed; they would be watching United States attitudes, especially in the Congress, over the next few months.

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7. Most Indonesians, including the President, had expressed serious doubts about Thailand's ability to withstand the pressures which they expected from North Viet Nam. According to Newsom, most of the Generals had given Habib the impression that they were "almost at the point of writing Thailand off".

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Habib had, however, been surprised to learn that even amongst the military the view was generally put forward that support for the United States bases would be inconsistent with Indonesia's nationalist outlook and interest in maintaining its third world links. The view was also generally expressed that United States bases in Thailand and the Philippines made those countries more rather than less vulnerable and that their continued presence would inhibit their attempts to establish relations with the Governments in Indo China. Most Indonesians gave Habib the impression that they hoped ASEAN countries would be able to do without foreign bases. Newsom and Habib formed the impression that the Indonesians, including the President, would "not speak up for the continued presence of United States bases, even privately".

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12. Indonesia continues to see the United States as a source of economic and military equipment. According to Newsom, Habib had asked General Surono and others why, with \$US5.2 billion annually in oil revenues, Indonesia apparently continued to attach importance to relatively small military assistance programs. Surono, Moerdani and others had explained that Indonesia's total military budget was small, excluding amounts set aside for procurement. The Government was very reluctant to shift any funds from the development budget to the military budget. They continued to attach importance to the American program and also to the Australian Defence Assistance Program.



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*R.A. Woolcott*  
(R.A. Woolcott)



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5. I asked what the Indonesian response was to these reassurances. Newsom said that the President had said that Habib's presentation was "encouraging" but Newsom added Indonesian uncertainties had not been entirely removed; they would be watching United States attitudes, especially in the Congress, over the next few months.

#### Regionalism and ASEAN

6. Habib gained the strong impression here that Indonesia looks to ASEAN as the immediate area of importance for its own future security. Virtually all the Indonesians with whom Habib talked told him that Indonesia wanted to strengthen ASEAN and also to increase security cooperation within ASEAN, even though this might change the nature of the original concept of the organisation. Two concrete examples of this given to Habib were the acceleration of existing exchanges of intelligence between members and tripartite cooperation between Singapore, Indonesia and Malaysia on Natuna Besar Island for surveillance of the South China Sea area.

#### Thailand

7. Most Indonesians, including the President, had expressed serious doubts about Thailand's ability to withstand the pressures which they expected from North Viet Nam. According to Newsom, most of the Generals had given Habib the impression that they were "almost at the point of writing Thailand off".

#### Malaysia

8. The Indonesians saw the key to their own security as Malaysia. According to Newsom, most of the Indonesians told Habib that they see a real danger of an accelerated threat to Malaysia spilling over to the Riau Islands and Sumatra. They also expressed doubts about the future of East Malaysia, especially whether it would hold together in the face of a renewed increase of insurgency in Sarawak and possible separatist tendencies in Sabah.

#### Indonesian Attitude to United States Bases

9. Habib had found the Indonesian attitude - even the President's - to United States bases in Thailand and the Philippines "equivocal". Malik, predictably, had said that the bases would need to be phased out.

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Habib had, however, been surprised to learn that even amongst the military the view was generally put forward that support for the United States bases would be inconsistent with Indonesia's nationalist outlook and interest in maintaining its third world links. The view was also generally expressed that United States bases in Thailand and the Philippines made those countries more rather than less vulnerable and that their continued presence would inhibit their attempts to establish relations with the Governments in Indo China. Most Indonesians gave Habib the impression that they hoped ASEAN countries would be able to do without foreign bases. Newsom and Habib formed the impression that the Indonesians, including the President, would "not speak up for the continued presence of United States bases, even privately".

10. Newsom said that the impression they had received during their discussions was that the Indonesians saw the future United States role in the region as one of a sea presence based on Guam. This they saw as a necessary continuing deterrent to the Soviet Union. Habib was somewhat surprised to find that, although worried about China and concerned about the way in which North Vietnamese policies seemed to them likely to develop, the Indonesians regard the Soviet Union as a greater potential threat in security terms.

11. In conclusion Newsom said that Habib had gained the impression that Indonesia wanted a quiet and continuing United States presence which would help strengthen them and the other ASEAN countries in the region but which would not cause them any embarrassment in their attempts to come to terms with a communist-dominated Indo China.

#### Defence Aid

12. Indonesia continues to see the United States as a source of economic and military equipment. According to Newsom, Habib had asked General Surono and others why, with \$US5.2 billion annually in oil revenues, Indonesia apparently continued to attach importance to relatively small military assistance programs. Surono, Moerdani and others had explained that Indonesia's total military budget was small, excluding amounts set aside for procurement. The Government was very reluctant to shift any funds from the development budget to the military budget. They continued to attach importance to the American program and also to the Australian Defence Assistance Program.



13. The question of possible additional United States military supplies for Indonesia, especially material earmarked for Viet Nam, had come up. Habib had replied that it was too early to say whether the absence of requirements in Indo China and the rundown of bases in Thailand would mean that Congress would vote for higher sums in other areas such as Indonesia. Habib, however, said he hoped it would do so and added that the Administration was likely to press in this direction.

14. In his talks with the Intelligence community Habib said that there were two recurrent concerns. Firstly, there was the need for sea surveillance. With its long unguarded coastline and thousands of islands, Indonesia felt very vulnerable to the smuggling of arms from Viet Nam or through Malaysia. Secondly, Indonesians were concerned by the lack of intelligence and surveillance capability in the outer islands. Habib had been told that they had said they simply could not be sure what was happening in large tracts of Kalimantan and Sumatra.

15. The Indonesians had expressed particular interest in increasing their maritime surveillance capability. They wanted vessels of 800 tons for their western approaches and 1,200 tons for their eastern approaches. The smaller patrol boats of the type that Australia is providing were not the real answer in the new situation. They were simply not large enough.

#### Domestic Situation

16. While concern was frequently expressed about the boost in morale which the underground rump of the PKI was likely to receive as a result of communist victories in Indo China, Habib had been unable to elicit any precise answer to the question of what evidence there actually was of a resurgence of communist activity in Indonesia.

17. Habib had heard a lot of "vague Javanese philosophy about national resilience" during his visit but had not encountered much evidence that Indonesian leaders - although conscious of their problems - were turning the spotlight on themselves in areas of weakness such as corruption, distribution and communication with the rural population.

18. Newsom said that Habib had mentioned in a "low key way" Congressional concern over human rights. He had said that the Fraser Sub-Committee had South Korea in focus on this issue at present and, inevitably, the situation in Indonesia was attracting some attention. Habib had obtained the impression that the Indonesians really do not know what to do about the detainees, some of whom are now being held unconstitutionally. Habib was, however, told that they are considering releasing some of the Category B detainees in the near future.

China

19. I asked whether there had been any discussion about China and the re-establishment of relations with that country. To my surprise Newsom said that China had never come up in any of the discussions, except in a very general way in the regional context.

North Viet Nam

20. Newsom said that Habib had found the Indonesians, with the exception of Malik, "quite realistic" about North Viet Nam's likely future role in the region. He said that the President had expressed fears that North Vietnamese successes would encourage communists all over the region to become more active. Even if Hanoi did not, of its own volition, seek to assist them the President expressed concern that the insurgent groups themselves would seek help from Hanoi which it would be very difficult for Hanoi to refuse. It was unlikely that it would do so.

21. Habib said that the Indonesians generally took the view, which he - Habib - shared, that there was no point in seeking to negotiate with Hanoi from a position of weakness. This was another reason why the Indonesians felt that efforts had to be made quickly to strengthen ASEAN, despite pessimism about Thailand, and why each country within ASEAN had to strengthen its own national resilience. Habib had got the impression that virtually all of the Indonesians to whom he had spoken believed that Hanoi was going to be difficult, inflexible and assertive. The Generals had also expressed anxiety about the sophisticated military equipment which North Viet Nam now possessed and in a rather direct and unJavanese aside the President had told Habib that he was concerned about the equipment which America "gave to the North".

*R. Woolcott*  
(R.A. Woolcott)



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RECORD OF CONVERSATION

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Between Senator D.R. Willesee, Minister for Foreign Affairs,  
Mr Philip Habib, Assistant Secretary of State for  
Far-Eastern Affairs, and  
Ambassador Marshall Green.  
Officer present: G.T. Briot, Senior Private  
Secretary.

The Minister handed a copy of the Senate Foreign Affairs and Defence Committee Report on the Establishment of an Omega Station to Ambassador Green and emphasised that it was essential that the confidentiality of the Report be observed until it was tabled in the Senate next Tuesday. Ambassador Green asked what action would be taken on the Report and how soon such action might be expected. The Minister said that the Report would be considered by the Government; it would be a matter for the Department of Transport, who might be expected to put a submission before Cabinet and this would perhaps form part of the Budget authorising the necessary expenditure for any establishment of the station.

2. Ambassador Green mentioned that he had just been on a tour of the Minister's home state of Western Australia. He said that during the tour he had met Messrs Hawke, Court and Tonkin.

3. The Minister enquired whether the Prime Minister had said anything about the visit of U.S. Naval vessels to Australia. On being told that the Prime Minister had said nothing on the subject, he announced that the Prime Minister had agreed that the visit by US. naval ships (originally proposed for the Coral Sea celebrations) had now been approved, even though Coral Sea Week was now passed.

4. Mr Habib raised the question of Vietnamese refugees. The Minister asked whether the Prime Minister had said anything on the subject and was told that he had expressed concern about the possibility of 'political types' being amongst refugees accepted by Australia. Mr Habib went on to say that the U.S. hoped that some of the refugees could be taken by other countries because there was a need to calm down those people in the U.S. who asked why should the U.S. be the only humanitarian nation - why did the U.S. have to take the lot? Mr Habib added that Australia could pick and choose to avoid the types of people that it did not wish to receive, but it was important to take a reasonable number. It was also important that Australia should continue to work through UNHCR and ICEM. The Prime Minister had apparently found the idea of selectivity to be appealing. He had expressed particular interest in the prospect of receiving fishermen. The Prime Minister had mentioned his concern about DLP-type elements though he had not specifically mentioned Croats. Ambassador Green said that the U.S. was well aware of the problems Australia had in this respect and understood them.

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Mr Finkler (F.A.S. - SEA)  
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Mr Habib laid stress on the fact that the refugees who went to Guam were of higher quality than those in Hong Kong, more of them spoke English, and in general they gave the opportunity for a better selection.

5. Mr Habib said that he wished to say that the state of U.S./Australia relations was very gratifying. The recent meeting of the Prime Minister with President Ford had gone very well - it had been a 'hell of a good session' - a much better meeting than the previous occasion.

6. Mr Habib then asked the Minister what advice he might have to offer on the subject of Thailand and Malaysia. Without waiting for the Minister's reply, he went on to say that in Thailand and Taiwan American troop numbers would decline. However, in Japan and South Korea, he expected them to stay the same. He added that the U.S. was having troubles with President Marcos on base rights, although he expected that troop numbers would remain the same, despite the possibility that base areas might shrink. He said that in regard to changes in troop commitments the U.S. was anxious not to give the wrong signals. Mr Habib said that if the Thais wanted the U.S. presence out, then out it would go. Mr Habib asked whether the Minister had had any talks with the Thai Foreign Minister, General Chattichai. The Minister said that he had known General Chattichai for quite some time and asked Mr Habib to give his regards to General Chattichai when they met in the near future.

7. The Minister then brought the discussion to the subject of Indonesia. He commented that it was in some ways almost ungovernable because of its geography, general diversity, and the thin administrative control that was exercised over it. He also referred to the paranoia exhibited by the present rulers and gave as an example of this their recent attitude to the question of the possibility of independence for Portuguese Timor. The Minister went on to say that the question of Portuguese Timor was now proceeding more satisfactorily after Australia had exerted some pressure on both Indonesia and Portugal. He believed that Australia should help the Suharto regime as probably the best presently available but nevertheless he was worried about becoming inextricably linked with it (he felt his concern on this point was greater than the Prime Minister's).

One particular concern was the question of political prisoners - he could understand the Indonesian attitude in view of their past experiences but nonetheless this did not remove his doubts on the question. He referred to his recent meeting with the head of BAKIN, General Yoga Sugama, who had adopted a very tough line. General Sugama wanted U.S. arms quickly and said there was still a very strong Communist organisation in Indonesia. Notwithstanding this exposition of a threat the Minister was still worried about the current attitudes of the Indonesians, in particular with regard to

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political prisoners. At this stage Ambassador Green intervened by saying that in 1965 when the new Indonesian regime, shortly after the coup, wished to release category 'C' prisoners, they were unable to be sent home because of the fear of vengeance that might be wreaked upon them by their own communities. He believed that we should stick with the Suharto regime but offer support in a selective way. Mr Habib cited the cases of the treatment of Mochtar Lubis and Soejatmoko as being particularly stupid. Soejatmoko had been Ambassador to the U.S. and during his very distinguished career had made influential friends all over the country. Rather than confining him the Indonesian government would have been much better advised to get him on side and use his ambassadorial talents worldwide. However, it was better for Australia to say these things to Indonesia than for the U.S.

Ambassador Green also indicated that desirable aid for Indonesia was in the form of such things as Hercules aircraft, which could be used to transport forces and other materials around Indonesia - that is, equipment designed to assist Indonesia's internal problems - rather than equipment which might be used for other purposes. Mr Habib said that the U.S. would increase aid to Indonesia, despite Congressional problems which related to such questions as Indonesian membership of OPEC, political prisoners, etc. In particular he envisaged a larger military aid program. He was, however, very wary of making promises to the Indonesians which the Administration might be unable to honour. There was the Congressional problem to be surmounted in this regard. He instanced a case where Dr Kissinger had promised 200,000 tons of wheat to Dr Malik during a meeting in Rome. Notwithstanding this commitment there had been the very greatest difficulty, finally surmounted only by an extraordinary presidential fiat, in getting 100,000 tons of wheat to the Indonesians. Mr Habib hoped that Congress might be slightly easier to deal with now that there was not the necessity to ask it for \$1.5 billion a year for aid to South Vietnam.

Ambassador Green then mentioned a discussion he had had with Prof. Parker of the University of Southern California - a member of Mr Habib's Advisory Group - who wanted much greater emphasis on social aid for Indonesia. Again Mr Habib said there were Congressional problems involved in obtaining this. Ambassador Green said that he remembered testifying before Senator Edward Kennedy some years ago, who said that the U.S. aid in this area was not nearly sufficient. Mr Habib interjected that Senator Kennedy 'was on a multilateral aid kick' these days.

Mr Habib said at the recent IGGI meeting the U.S. representatives had been sent along with authority to make only a very small offer because of the worry of not getting Congressional

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approval for anything substantial. Unfortunately, many countries tended to take their lead from the U.S. at this particular meeting and other offers, he thought, had been correspondingly reduced.

The Minister then returned to the subject of political prisoners and mentioned the greater expectation that the Australian public had of a Labor government in this respect. He took up the point of Ambassador Green about selectivity towards the regime and said he thought perhaps we should talk to the Indonesians about doing something for the obvious non-criminals amongst the political prisoners. Mr Habib said that President Suharto was very touchy on this subject and 'we can hardly talk to them any more about it'. He mentioned hearings on the subject next week in Washington.

8. The Minister said that he was going to visit North and South Korea and Mr Habib said that in North Korea he would be exposed to the personality cult phenomenon with an intensity that he had never experienced before. In relation to the Minister's visit to China, Mr Habib said that (protect) President Marcos was to visit China somewhere near the time of the Minister's visit. The Minister asked Mr Habib about South Korea and Mr Habib said that President Park would tell him that North Korea was exhibiting great aggressive tendencies and that as a result South Korea was building up a massive deterrent defensive force. He advised that when the Minister went to North Korea he might first speak to the North Koreans about the peaceful resolution of the Korean problem and then speak about that discussion with the South Koreans.

Ambassador Green said he wished that President Park would ease up a bit on his present repressive campaign and at least make a few gestures in the direction of liberality. Mr Habib said that what worried him about Park's current repressive campaign was the threat it involved to the stability of South Korea as a whole. This was of course precisely a course of action which North Korea welcomed. He noted that South Korea was 'pissed off' with Australia for its recognition of North Korea though he recalled that the U.S. had urged upon South Korea restraint in its reaction to Australia's recognition and counselled against breaking off diplomatic relations. The Minister interjected that Australia was very grateful for U.S. help in this regard. Mr Habib said that the U.S. had been happy to help.

Mr Habib said it would be useful if we could make it clear that we noticed North Korea's military build-up and should emphasise to North Korea the necessity for any reunification of the two Koreas to proceed peacefully. South Korea, although not publicly, had given up on its hopes for reunification and now believed that peaceful coexistence between the two Koreas was the best hope for the future. Mr Habib also referred to the fact that he expected the vote on Korea in the UN this year

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would be very difficult and he hoped that Australia would continue to give the U.S. support in this respect. He added that if the small South Korean off-shore islands were interfered with by North Korea there would be war. He emphasised that there was no bellicosity in South Korea. Recent U.S. statements about Korea had been directed not only towards giving reassurance to South Korea but had also been designed to discourage South Korea from taking any silly actions. He added (protect) that the U.S. had had discussions on this subject with China and whilst the Chinese had replied with a predictable line he felt and hoped that the message had sunk in.

9. Mr Habib then turned the subject to Malaysia and asked whether the Minister believed that Prime Minister Razak was worried about Thailand. The Minister replied that he had met Prime Minister Razak recently and Razak had certainly been concerned with the subject of insurgency and that he had also spent quite some time talking to him about problems with students. Mr Habib said that in general the ASEAN countries were going along quietly and not much had come from their recent Foreign Ministers' meeting. The Thais had been upset after the 'Mayaguez' incident, but the subsequent U.S. note to the Thai government which had been conciliatory without giving too much away, had dampened things down. Mr Habib commented that the Thai-U.S. alliance was a two-way association and that whilst the U.S. understood the position and the pressures upon Thailand, it was up to the Thais to appreciate and make allowances for the U.S. position on certain occasions.

10. The Minister then raised the subject of Singapore and offered the opinion that Prime Minister Lee was becoming increasingly unbalanced. The exchanges between Mr Lee and Mr Whitlam at CHOGM had been quite without any provocation from Mr Whitlam and appeared to have been without any obvious foundation. Mr Lee had been reported by a recent Australian Ambassador to be a hypochondriac and to have been for a long time in dire fear of assassination. Mr Habib commented that Mr Lee was obviously a very worried man, very worried about the future, and he saw problems coming down to Singapore through Malaysia, notwithstanding the fact that at present relations with Malaysia were significantly better than they had been previously.

The meeting concluded at this point, but on the way out of the room The Minister remarked to Mr Habib that he believed it was essential that Ambassador Green's replacement should be a professional diplomat, and that he had mentioned this to Mr Ingersoll in Washington. Mr Habib replied that he certainly hoped this would be the case, and the Minister raising the question

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was a help. He had advised of the necessity for this type of appointment, but as the Minister would appreciate, he was unable to absolutely guarantee the final decision.

Record prepared by

*G. T. Briot*

(G.T. BRIOT)

Senior Private Secretary

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R/S Blount

Mr. Blount  
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U.S. EMBASSY TRANSLATION UNIT PRESS REVIEW No. 69/1975

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TABLOID OF EVENTS

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The following articles are unofficial  
extracts and not full translations of  
the original.  
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Editorial:

U.S. FOREIGN POLICY UNDER FORD  
(MERDEKA, April 15, 1975 - MN)

They say President Gerald Ford was very bold in outlining his government's foreign policy before the joint session of Congress last Thursday.

For the U.S. chief of state called on his people to do things which the people have openly opposed. For he reprimanded and lectured Congress whereas he needs Congress support. For his ideas are not just different from those held by his people and his people's representatives but are also contrary to the spirit of the time and the demand of mankind's conscience.

As this newspaper said last week, President Ford would not possibly deviate from his earlier position, and this is so indeed. But we wonder whether it is absolutely necessary for an American chief of state to continue dragging his people on the way of conflicts and wars with others. Is it wrong that the people's voice is God's voice and is not democracy from the people, by the people and for the people?

President Ford is courageous indeed. He was mettlesome enough to advance sure concepts. He dared admit that the Lon Nol government can no longer be defended or saved. He dared call on Americans to support the Thieu government in Saigon in spite of the U.S. government failure in Phnom Penh.

Many aspects of President Ford's speech before Congress last week can be analyzed. A general picture which we can present here is that Ford's foreign policy is still based on the gunboat diplomacy. For the Atlantic Ford championed the NATO military pact. For the Mediterranean he championed the U.S. military pact with Turkey and the military bases there and in Greece. In the Western Pacific he championed the U.S.-Japan military alliance as the "backbone" of U.S. foreign policy in the Far East.

He called for continued aid to Turkey, Greece and South Vietnam whereas it is the U.S. Congress itself which has forbidden the sending of arms to Turkey. This is also the case with South Vietnam. However, in addition to asking for more than \$722 million in military aid for South Vietnam Ford also asked Congress to review the 1973 acts which forbids direct

U.S. military



U.S. military involvement in Indochina on land, in the air and on the sea. The truth is that his previous request for \$300 million has already been objected to firmly. And his request for reviewing the 1973 act, even on the pretext of evacuating American citizens, was censured.

On the other hand, President Ford said nothing about Southeast Asia's neutralization, nor about a reduction of the military rivalry among the superpowers in the Indian/Indonesian Ocean, let alone referred to the demand for making this region a region of peace.

He did not mention fair and mutually profitable economic and technological cooperation between the U.S. and Latin America, except sloganizing "new dialogues." He did not talk about economic and technological cooperation between the advanced countries and the developing countries but on the contrary urged that the alliance of the rich countries in West Europe plus Japan be bolstered.

True, there are certain parts in President Ford's speech which can be judged to be positive. He urged Congress to review the 1974 Trade Act which has produced a black list of 24 countries, mostly developing countries. He also asked for humanitarian aid of \$250 million for the refugees in Vietnam. But these matters, too, require further examination. To distinguish Ecuador, Venezuela, Nigeria and Indonesia from the nine other OPEC member states can weaken the solidarity of the oil producing countries. To offer humanitarian aid to the Vietnamese refugees without a clear concept is not a farsighted solution in the context of rebuilding Indochina which has been and is being damaged by war.

In brief, faced with so many world and mankind problems now and in the future President Ford appears to insist on relying on alliances and bilateral relations in keeping with his country's interests. For he did not touch on the demand for universal cooperation on the basis of mutual respect and mutual benefit. He did not mention the U.N. as if this world body which has done much for mankind never existed or was of no importance to the U.S.

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Editorial:

THE COMING SOEHARTO-FORD MEETING  
(BERITA BUANA, April 15, 1975 - MN)

It is not yet known when and where the Soeharto-Ford meeting will be held.

It is quite likely that the main item on the agenda will be Indochina. For Indonesia, everything about Indochina is important since Indochina and Indonesia are both located in Southeast Asia.

America was once deeply involved in Indochina and managed only two years ago to withdraw its troops from South Vietnam.

At one time Indonesia took the initiative for a conference of Southeast Asian countries on Khmer. Even now the R.I. favors that the parties in both Khmer and South Vietnam choose the road of talks rather than war.

The U.S.



The U.S. and R.I. positions have always been parallel and here lies the benefit of the coming exchange of views between President Soeharto and President Ford.

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Editorial:

DEVELOPMENTS IN CAMBODIA

(KOMPAS, April 15, 1975 -MN)

It is our principle that the Cambodian problem is the business of the Cambodian people and leaders themselves. But the departure of the U.S. embassy from Phnom Penh is a sign that the situation has grown more critical.

It is true that even if the capital falls into the hands of the Red Khmer forces, it is by no means certain that the war will be over. Many observers say that the Khmer people still have the spirit to keep on fighting.

This will mean continuing suffering and mounting casualties among the Khmer people. It will be better when this is prevented.

Lon Nol has gone to Hawaii. Acting President Sau Kham Khoy has also departed. The government has been transferred to the armed forces. Though it is not yet clear the general who has come to the fore is General Sak Suthsakhon who chairs a seven-man council.

General Sak Suthsakhon has a good reputation as a nationalist fighter against the French, also among the circles of Khieu Shampin and his followers.

It is hoped that peaceful talks will still be reached, at least to reduce the people's suffering.

Many attempts have been made to have Prince Sihanouk return to Phnom Penh. So far they have not been successful, and will not be successful in the future. It is becoming more evident that the Prince who has been in exile in Peking is not a decisive factor in Cambodia. The decisive factor is Khieu Shampin and other Red Khmer leaders. Is there still a chance for a meeting between Khieu Shampin and General Sak Suthsakhon?

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THE ONE AND ONLY WAY TO IMPROVE LIVING  
STANDARDS PROMPTLY

By Ir. H.M. Sanusi

(MERDEKA, April 12, 1975 - MN)

According to the DPA, the minimum subsistence level for Indonesians is \$130 per capita. Meanwhile, Indonesian economists still disagree whether the average gnp is \$80 or \$90 per year. If some Indonesians lead better lives than Americans, then to reach the average \$90 most Indonesians have to live on much less than \$90 per capita per year.

Then there is the problem of exploding demands. The world is becoming smaller because of advances in communications and higher consumption patterns have quickly spread to remote areas.

People



People wish to eat rice, have good clothes, shoes, bicycles, homes, etc. whereas their productivity is still low. But they demand a minimum subsistence level of \$130 per capita which is felt to be their right under present conditions in Indonesia. So the lives of the masses of the people have to be subsidized.

The windfall profit from the oil price increase is some three billion dollars per year. Apparently it has been spent entirely to subsidize rice, sugar, fertilizer, kerosene whose import prices are much higher than those paid by the people. But the people's poverty cannot yet be eliminated. This is evident from the high crime rate and the fact that seven hundred and fifty thousand Indonesians suffer from tuberculosis.

If the productivity of the masses can be increased beyond the poverty level, i.e. \$130 per capita, the huge subsidies can be abolished and the three billion dollars can be turned into 20 sugar factories, 20 cement factories, 20 fertilizer factories and 20 palmoil factories which can add four billion dollars to the gnp per year directly and 12 billion dollars with the multiplier effect. Production will be perpetual since unlike oil the resources will never dry up. With the multiplier effect the per capita gnp can be increased by about 100% at full production capacity in about two to five years, namely two years for the cement factories, three years for the sugar factories, five years for the palmoil factories. This is the so-called takeoff stage, which unfortunately has never been planned by Bappenas. Bappenas knows only of a 6% annual increase in the gnp so that there will some hope only in the year 2000 when the gnp will go up by 150%. From the political aspect, this low target cannot be accounted for as it will have sociopolitical repercussions, not to speak of the subversion of the underground PKI. So we should not be satisfied with the 6% growth rate.

Besides the windfall profit we can try to benefit from Middle East capital which has an idle reserve of 60 billion dollars. The attempt will be facilitated by the fact that the majority of Indonesians are Muslims provided we make the right approach. By integrating Arab capital Indonesia's natural resources can be utilized to promptly raise the people's prosperity so that in five years we can catch up with Malaysia which now has a gnp of \$400 per capita and in 10 years, Japan and Europe.

Another important problem is increasing the productivity of the masses of the people. We must realize that the agricultural bimas which consumes hundreds of billions of rupiahs yearly is keeping the people poor though the program is one hundred percent successful. We know that in Java the people get on the average only  $\frac{1}{4}$  hectare of land and only one-third of the people get this plot. Even with the most sophisticated technology, the farmer cannot lead a decent life with only  $\frac{1}{4}$  hectare. So means of living outside agriculture must be discovered and developed.

The one and only way is to promote the sector of small and medium industries. So we should not have given first priority to agriculture and second priority to industry. This is a major strategic mistake. Both sectors must be developed simultaneously. There are limits to increasing agricultural productivity but there seems to be none to increasing industrial productivity.

Productivity



Productivity can be increased by promoting simple technology on a mass scale with a mechanization program. So it is likewise a strategic mistake that the program of mechanization of small and medium industries has been abolished and that Bappenas is not aware of its importance.

We must realize that overprotection of automobile assembling is quite harmful to the mass increase of technology since it is only disguised import which should not have enjoyed whatever protection. This is also the case with the assembling of medicines which amounts to making capsules or putting medicines in small bottles whose effects are more injurious than if the medicines are simply imported.

To cite some other examples, lemonade plants in the villages should have been protected and advances so that we should not have given licenses for cocacola, greenspot and other factories which destroy the small and medium industries. The people's productivity must not be smashed with the establishment of every new factory. Reduced productivity will directly affect the gnp, the state budget, economic, sociopolitical and security conditions, etc. The establishment of cement, sugar and urea factories, electrification projects, etc. will obviously increase the gnp, the people's productivity and technological knowhow.

Something else which does not promote productivity is the monetary policy whereas capital is the absolute condition for production, large and small. Money contraction to fight inflation can always be effected provided it should not hit production because then it will be a more dangerous remedy than the disease itself. In the end, money is only a means to increase national production because only production is decisive to prosperity and to fighting inflation. Quite many small and medium industries are still denied credits. Since this directly concerns the promotion of the people's productivity, it is absolutely necessary that the small and medium industries be helped.

The foregoing may be summarized as follows:

1. With the success of agricultural production alone, the people will remain poor.
2. The agricultural bimas financing has no multiplier effect as it directly produces consumer goods.
3. It is necessary to simultaneously stimulate other sectors, particularly small and medium industries.
4. A mechanization program must be carried out at once to increase the people's productivity.
5. Small credits must be granted without limits to sound enterprises with responsible managers which are bankable.
6. Development of bonded warehouses or duty-free areas must be invigorated and assigned to native entrepreneurs.
7. Industrial estates must be invigorated and assigned to national entrepreneurs.
8. In every province permanent showrooms for the people's handicraft should be established.

9. The

strategic industries.

and effective approach.

Medicines which contain a certain number of



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The job performed by the BUUD/KUDs goes through a chain process. All the links in the process, especially Bulog and the BUUD/KUDs, must co-operate satisfactorily.

In case purchases by the BUUD/KUDs stagnate and the farmers do not know what to do, then middlemen will enter the scene. The price of unhulled rice will go down, the farmers will be harmed and the trust in co-operatives will lessen.

There is a great difference between a private enterprise and a co-operative. In the former the individual profit motive is quite strong, while in the latter the profit motive is collective in character. So besides skills there is need for a collective spirit.

There is a greater relevancy of the President's instructions when it is considered that the harvest of the 1974/75 rainy season starts this April.

Editorial:

THE WORLD'S VIEW OF THE U.S.  
(MERDEKA, April 17, 1975 - MN)

It is not strange if in the matter of Indochina which is now in turmoil the world limelights not just the countries concerned, but also the U.S. It is also not strange if President Ford has almost lost his head and with the maximum logic in his head has tried to have a historical part in the developments of Indochina via Congress and other institutions in his country.

In this newspaper we have repeatedly mentioned Ford's views which we openly regard as being not in line with the interests of the world which wants peace. They are neither in line with the essential desire of his own people. So it is no coincidence that among the successes and failures spotlighted like Lon Nol, Thieu, Khieu Shampam, Sihanouk, Ford and some Congressional leaders, the U.S. President gets a share of the spotlight that is quite sharp from both friends and foes.

Most recently Foreign Minister Adam Malik, expressing the same opinion as this newspaper, termed the "domino theory" as obsolete. The theory created by former President Eisenhower says that the fall of one country into Communist hands will spread and cause other countries to suffer the same fate. People who still believe in this theory are certainly too slow in following the rapid political and economic developments attended by all kinds of changes.

We agree with Adam Malik that the theory is like putting dolls on the ricefield to frighten birds. It is as if it were absolutely valid. As Adam Malik said "the domino theory is exaggerated again so that the Southeast Asian countries will be afraid and remain dependent on the United States."

Indeed, history recognizes that there were times when the U.S. which felt it was inviolable police to the world considered itself free to do what it liked to straddle upon the developing countries it could influence, particularly the Southeast Asian countries. History has also recorded that the fear of the Southeast Asian countries of the U.S. and its power has disrupted a proper political and economic balance and there have been plenty of political, economic (and even military) conflicts which have been to the advantage of the U.S.

We also



We also consider it quite right for Adam Malik to have said that "the developments in Indochina will pose no danger to Indonesia." He added that we should not panic and that we need not be afraid.

We think this is a realistic political line for Indonesia in dealing with future developments originating in Indochina. For behind Adam Malik's statement, there is the strength of the nation's philosophy which as we have said time and again enables the country to defend itself from attacks and disturbances from whatever quarter. The domino theory is indeed the trick of the U.S. to bind its friends, particularly those in Asia, to continue to be on its side in fighting Communism.

The fall of a country which is in anti-Communist hands into Communist hands and what will happen to the countries close to the former, this is a matter that cannot easily be believed. For it is clear that a country is not a paper box that can be placed side by side with other paper boxes and that will fall when one of them falls.

The composition of a country's living structure determines whether the nation can and is willing to accept a view of life or not. There can be no imposition. So historically and also scientifically there is no rule that two neighboring countries must be of the same ideology or at least share the same views.

The strength and absorption capacity of our Pancasila are so that Adam Malik is right in every respect when he said that "developments in Indochina pose no danger to Indonesia." If there is a danger indeed, then the danger must be seen and studied from other aspects. And in a situation when a region aspires for development consolidation like Indochina, the danger of attaching influence cannot be regarded as being the "major urgency."

Adam Malik also commented on the U.S. attitude toward the Arab-Israeli conflict. Adam Malik regarded the U.S. with its conduct in the Middle as a man who is being tried in the midst of a situation which is now alarming. The Middle East situation which is quite critical and contains conditions for the outbreak of a fresh war can do damage to the image of the U.S. Adam Malik even held, in his statement to the press, that "in this way they will disappear from the world because they will never be believed again."

The voice of the R.I. Foreign Minister is not the one and only voice of a foreign minister in the countries of the Middle East, South Europe, Latin America and Indochina. The leaders of these countries have increasingly used clear, firm and plain words with regard to the U.S.

So in company with the other countries of the third world Indonesia follows the recent moves of the U.S. and the ambitions of Ford who wishes to join in "making history." Recent political developments show that the U.S. arguments are becoming more and more fragile. On the other hand,, the other countries (particularly the developing countries) feel they are growing stronger to face the great powers, jointly or individually!

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Editor's Note:

The fourth paragraph omitted in the translation of the editorial of yesterday's PELITA reads as follows: "The opinion which says that the "domino theory" does not apply wholly is true, yet the Communist victory in Indochina has an influence on the situation in Southeast Asia."

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Mr. Blount

U.S. EMBASSY TRANSLATION UNIT PRESS REVIEW No. 71/1975

Thursday, April 17, 1975

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\*\*\*\*\*  
The following articles are unofficial  
extracts and not full translations of  
the original.  
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Editorial:

MOCHTAR LUBIS IS FREE  
(KOMPAS, April 17, 1975 - MN)

When Mochtar Lubis, an Indonesian journalist well known among international press circles, was arrested last February 4 / January 4, Ed. 7 we, too, were concerned. Now we are relieved that he has been released since April 15.

In its statement accompanying the release of Mochtar Lubis, the Attorney General's Office said, "The release is effected following a succession of objective examinations to discover whether or not he was involved in the cases of the January 15 Affair."

It was also said that "on the basis of the results of the provisional examinations and after an objective evaluation has been made there are no grounds for keeping Mochtar Lubis under arrest any longer. With this release, the clearance of Mochtar Lubis is considered to be over."

With the release, the Attorney General's Office acted in accordance with the statement it made to the PWI central executive board some time ago, namely that in case there are no sufficient grounds for his detention, Mochtar Lubis will be set free. This is also in accordance with the prevailing legal regulations.

Among journalists, the release means an improvement of the working climate. Journalists work in an open atmosphere. Now they need not be afraid doing their job responsibly. The law offers protection. It is necessary to develop the function of conveying the problems, ideas and sentiments of the public and to disseminate information on the government program and development.

Since the arrest of the Indonesia Raya journalist gave rise to a great deal of comments abroad, his release will join in improving the climate. This is favorable to all parties, including the government.

We hope that the status of Enggak Bahauddin, the deputy editor of Indonesia Raya who was arrested earlier, will also be cleared up promptly.

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Editorial:

BANK, BULOG, BUUD  
(KOMPAS, April 17, 1975 - MN)

The President has instructed the BUUDs and KUDs to be more active in buying the farmers' harvest. According to Information Minister Mashuri, the instruction was issued because there were complaints that some BUUDs/KUDs were reluctant to buy the farmers' unhulled rice since it was below standard.

We all must be sensitive about the two village socioeconomic institutions. We often hear the question whether the increase in the farmers' production is also enjoyed by the farmers. The answer to this question lies in whether or not the two institutions perform their job.

Via the two institutions, the socioeconomic structure of the agricultural community is strategically to be changed. Some targets are to be reached simultaneously: increase of production, diversification of crops, marketing processes and a return of the production result to the farmers themselves.

Even more than the aforesaid technical aspects, there is the wish to cultivate via cooperatives attitudes and orientation of the farmers which will better guarantee their wellbeing without being uprooted. Self-activity is to expanded and democratization processes are to be invigorated.

The last mentioned is not nonsensical. Cooperatives and democracy are two aspects of a single concept. The essence of cooperatives is self-activity of the public. The people can act and take initiatives the themselves if there is freedom to expand the ideas from their own environment.

At the present stage of preparation, ideas originate largely with local governments. Village and subdistrict government officers are assigned to help until the village people themselves are able to manage their own affairs via the BUUDs and KUDs.

In response to the President's instruction, we would like to express some views. Shortcomings are not always the fault of BUUDs and KUDs. Sometimes bank credits are delayed.

The BUUDs and KUDs want to have good quality unhulled rice because Bulog, too, fixes the quality of the unhulled rice it buys from the BUUD/KUDs. For example, the unhulled rice must have a water content of 14 percent, a dirt content of 3-4% and 3-4% floating particles. Generally the BUUDs do not have the means to test this quality.

To solve the problem there is obviously need for cooperation between Bulog and the BUUD/KUDs.

The two village socioeconomic institutions also require other means to speed up their work, for example, small warehouses and drying floors. Not all the BUUD/KUDs have these two means.

On the other hand, there are indeed still weaknesses on the part of some BUUD/KUD officers. They have not yet grown in attitude as businessmen but feel they are only government employees, and as a result they are not quite nimble in responding to and meeting the needs of the farmers.

Generally, the farmers' needs for fertilizer and insecticide have been met rather well, but this is not yet so as regards agricultural implements, for example.

The job



Editorial:

AFTER THIEU'S RESIGNATION  
(KOMPAS, April 23, 1975 - MN)

The President of South Vietnam, Nguyen Van Thieu has stepped down. According to his own statement, he has taken the decision because of the urging of politicians and military circles in Saigon and the pressure of the U.S. government.

In the frame of reference of our national view, there is no element of U.S. interference. We should heed these factors: at one time the U.S. deployed almost 500,000 troops in South Vietnam, 50,000 U.S. soldiers died there and billions of dollars were spent there. 220

Even now Saigon hoped for 722 million dollars in aid from the U.S., but the U.S. Congress approved only 200 million dollars. In view of the above-mentioned factors and the "quid pro quo" practice in international politics, we can see a relationship in the element of U.S. interference.

In his resignation speech, Nguyen Van Thieu expressed his bitterness about the U.S., and especially the idea of President Nixon and State Secretary Kissinger for concluding the Paris agreement. Under the agreement, according to Thieu, the U.S. surrenders South Vietnam to North Vietnam. He also criticized Nixon's unfulfilled secret commitment. According to the commitment, Nixon (who was meanwhile forced by the Watergate case to resign) promised large-scale aid in the event of North Vietnam's attack on South Vietnam.

There may be some truth in Thieu's bitterness. But the picture he presented is in any case incomplete. If the picture is to be complete, it must be added that President Thieu was unable to arouse the people's spirit for defense, to unite the people's support, to consolidate the national will to confront the Communist movement. He was wrong in that he relied too much on aid from a foreign country!

His government which grew to be a clique system, to be nepotistic and corrupt was unable to develop an ideology, motivation and orientation to the people which were necessary to match the ideology, motivation and populism of the Communist movement.

What is more pressing now is what possibilities there are to face the advance of the armies of North Vietnam and the South Vietnam National Liberation Front.

The Liberation Front announced immediately that it would be willing to talk only if the Saigon government is purged of Thieu people, and if the entire U.S. military personnel are withdrawn from South Vietnam.

The first possibility is to continue the war. The objective is not to reconquer all the lost territories, which appears to be impossible, but to obtain a stronger position for talks. Whether this is possible depends on the ability of the new government to arouse the spirit of defense of all the people and restore the morale of the South Vietnamese troops. This is not an easy task in view of the reportedly deep and widespread demoralization process.

Another possibility is to offer talks on humanitarian rather than political conditions. For if political conditions are submitted, they will not likely be acceptable to Hanoi which feels that it is now in a winning position.

The humanitarian conditions concern the refugees and the status of South Vietnamese politicians, avoidance of revenge in the community and the process of reconciliation.

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Mr. Blount

U.S. EMBASSY TRANSLATION UNIT PRESS REVIEW No.75/1975

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extracts and not full translations of  
the original.  
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Editorial:

SITUATION IN SOUTH VIETNAM  
(BERITA BUANA, April 23, 1975 - IV)

The opposition to President Thieu reached its climax with the bombing of the Presidential palace by a South Vietnam air force plane. Earlier the Senate hinted that Thieu should resign.

Nguyen Van Thieu declined in popularity following his decision to order large-scale withdrawals of South Vietnamese troops so that many important cities fell without a fight whereas the troops had been indoctrinated not to surrender any territory without a fight.

The day before yesterday Thieu finally resigned and was replaced automatically by Vice President Tran Van Huong.

Much earlier the PRGSV ("Provisional Revolutionary Government of South Vietnam") announced that it would not negotiate with the South Vietnamese government if Thieu was still President.

Some observers now think that with Thieu's resignation the road for talks in South Vietnam is paved. But we do not see any sign that the Communists are willing to talk only because Thieu is no longer President. Soon after Thieu's resignation, the PRGSV said that the "entire Thieu group" must step aside first before talks can be considered.

Most cynical was the statement of North Vietnam, the country which has openly violated the Paris agreement and used almost all its divisions in South Vietnam (so that only two are left in North Vietnam) that "there is little likelihood of talks with the present government in Saigon and continued fighting appears to be inevitable."

We say it is cynical because it is North Vietnam that has always been on the attack and fanned the fights.

It is indeed so with the Communists that when you give them an inch they will take a mile. So we must watch the realities in Indochina while increasing watchfulness, always consulting with other Asean countries and bolstering national resilience and national defense.

We should not be perturbed or lulled by whether or not the domino theory still applies.

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Editorial:

EVALUATION OF AMERICAN TROOPS  
(BEPNKA, April 23, 1975 - MN)

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American troops were evacuated from South Vietnam at the time President Nixon was in power. After there were officially no more American troops in Vietnam, there were reports that in South Vietnam there were thousands of American civilians. It is they who both the PRC and Hanoi called military men in disguise and it is this reality that is regarded as a violation of the 1973 Paris agreement.

On 16 April the biggest U.S. aircraft carrier (nuclear-powered) "Enterprise" sailed from Manila to the Gulf of Tonkin to head for Saigon. Earlier some U.S. warships and transports were at anchor near Saigon. Reports from America said that the ships were used to evacuate not only Americans but also America's tails, namely pro-America (not pro their own country) South Vietnamese. On 18 April there was also a report that hundreds of Vietnamese originating from Saigon had arrived in China and Guan. They are Vietnamese who American politics can still use, probably in the future. They were saved and were evacuated along with Americans.

The aforesaid picture resembles the departure of pro-Dutch Indonesians from Indonesia in the fifties. Both the Indonesians who fled to Holland and the Vietnamese who are leaving their own country to side with another country are devoid of nationalism. Here lies the tragedy of people who have no sense of nationalism.

On the other hand, there also lies the policy failure of America which still clings to the view that Asian countries may not determine their own fate and that they must be interfered with by "American hands."

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Editorial:

KIM IL SUNG IN PEKING  
(BEPNKA PUANA, April 23, 1975 - MN)

That Kim Il Sung, the North Korean President, is visiting Peking is normal. North Korea-China relations have always been good though North Korea maintains good relations with the Soviet Union.

What is noteworthy is that the visit of the North Korean President to Peking coincides with the victory of the Red Khmer in Cambodia and North Vietnam's aggression in South Vietnam.

Kim Il Sung is accompanied by a deputy Prime Minister, the chief of staff of the armed forces, the army and naval chiefs, and six other senior officials.

In view of the time of the visit and the composition of the North Korean delegation, it is quite likely that China and North Korea will also discuss strategic problems. As is known, in the 1950-53 Korean war, China and North Korea jointly fought the South Korean and U.N. troops. Does this mean that the settlement of the Korean problem by force will also be discussed?

Some observers believe that if the matter is discussed China will probably convince North Korea not to launch an attack on South Korea since this will provoke a strong U.S. reaction and endanger the Peking-Washington detente. China needs the detente to face the threat of the Soviet Union which is still regarded as China's enemy number one.

As is



Editorial:

NGUYEN VAN THIEU'S WITHDRAWAL  
(SINAR HARAPAN, April 22, 1975 - MN)

Nguyen Van Thieu appeared to have miscalculated on at least three counts. He disregarded the historical context of the Vietnam conflict. In essence the conflict is the manifestation of nationalism which has affected Asia since the beginning of this century.

Second, Thieu regard U.S. support as a constant factor because he succeeded in demanding concrete conditions from President Nixon at the end of 1972 when the first concept of Kissinger-Le Duc Tho was introduced. Watergate, the energy crisis, and the American people's sense of being fed up with the war nullified this calculation.

Third, Thieu became the prisoner of modern military equipment which he received shortly before the signing of the 1973 Paris agreement in the sense that this equipment narrowed his political imagination and creativity.

Like the Geneva agreement of 1954, the Paris agreement of 1973 is a political document which is linked to a cease-fire agreement. The Geneva agreement offered a chance for a Western country, namely France, to withdraw honorably and the Paris agreement offered a chance for another Western country, namely the U.S., to withdraw honorably.

The Paris agreement specifically recognizes the existence of "two parties" in South Vietnam and recommends under article 12 the formation of the so-called Council of National Reconciliation and National Harmony within 90 days.

The talks between the representatives of the Republic of Vietnam and the Provisional Revolutionary Government held in Paris stagnated from the outset.

We ourselves assumed that the PRG would be willing to reach a settlement via the political talks to give birth to a political regime which would be more independent from Hanoi. It is important to take the factor of relations between the South and the North into account.

If Thieu had resigned at that time and along with him the so-called third party in South Vietnam, then a military confrontation would have been avoided and a political regime that would have a measure of independence from both Washington and Hanoi would have been established.

It is indeed difficult to expect such a political imagination and creativity from a man like Thieu.

We are also pessimistic that efforts to bring about a cease-fire and a political compromise, as Washington wants, are realistic at this stage.

Military operations as are being launched against Saigon tend to reach a momentum and climax of their own.

It is proper for us in Indonesia to continue following developments in Vietnam and Indochina while trying to identify the sociopolitical forces which are coming to the fore and projecting the coming balance of strength.

The fluid situation in Indochina offers an opportunity for Indonesia to carry out an active and independent foreign policy within the limits of our own national ability and on the basis of our own evaluation. The reason is that we are interested in a stable peace in Indochina.

As President Soeharto said when the ambassador of the Democratic Republic of Vietnam, Nguyen Hoa presented his credentials on 15 September 1973, "Indonesia does not hope for peace only in appearance in that part of the world."

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As is known North Korea always wants to see a rebellion in South Korea and even instigated such a rebellion when talks were underway to unify North and South Korea.

That is the reason why South Korea is strengthening its defenses and is not yet willing to condone disorderly opposition, like demonstrations.

Considering the events in Vietnam, it is proper indeed for Seoul to increase its vigilance, especially now that Kim Il Sung is consulting Peking.

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U.S. EMBASSY TRANSLATION UNIT PRESS REVIEW No. 76/1975

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Thursday, April 24, 1975

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The following articles are unofficial extracts and not full translations of the original.

Editorial:

AFTER NGUYEN THIEU'S RESIGNATION  
(TEDDO, April 24, 1975 - VN)

In a dramatic speech Monday night President Thieu finally stepped down formally. In addition to designating his successor, Tran Van Huong, an old (72) and sickly man, Thieu lengthily expressed his displeasure with the U.S. which did not keep its promises to help his regime.

After Thieu's resignation, there will be a possibility for talks conforming with the demands of the PRG and the DRV (North Vietnam) to form a coalition government following complete control of South Vietnam by the PRG.

When the Vietnamese people wished to be independent and sovereign they were suppressed by force by the French colonialists. When invited for talks after the French strength was smashed at Dien Bien Phu, the Vietnamese were willing since they did want to live in peace on condition that French colonialism had to disappear from Vietnam. Under the Geneva agreement, Vietnam was divided into two parts, North and South Vietnam.

It was a mistake on the part of the U.S. to interfere in Vietnam while France had withdrawn. A nation that was threatened by a provocative display of power as the U.S. did in the Tonkin Gulf would inevitably rise to defend itself.

As the U.S. that has always been miscalculating wanted, the bloody U.S. interference brought inhuman disaster to Vietnam. The fruit was futile sacrifice of Americans and the people in both South and North Vietnam. At that time nobody talked about interfering on humanitarian grounds. But after Thieu was squeezed many people automatically followed the U.S. deceptive move and loudly screamed about humanitarianism.

Like the Geneva agreement, the Paris agreement calls for the withdrawal of the foreign power from Vietnam. But on various pretexts, the U.S. kept sending military personnel there under the guise of civilians.

Several times the PRG called for talks, conforming with the Paris agreement, but Thieu always declined. In fact, with U.S. aid he strengthened his armed forces and neglected the economy while allowing corruption to be rampant.

Finally



Finally the Thieu regime was opposed by the people who sensed that their government was not concerned about them and only depended on the U.S.

The Vietnamese people essentially dislike war though they have been experiencing wars for decades. But a fresh war broke out since the political and diplomatic settlement according to the Paris agreement was not forthcoming. For the fundamental problem is that the Vietnamese people wish to be independent, sovereign and united with no foreign power or its remnants disturbing this independence. Without this complete independence the Vietnamese people will not be able to carry on development to bring prosperity and justice to themselves.

Whatever the course, history will prove that in the end the Vietnamese people will attain their ideals. Anybody who obstructs them will be destroyed.

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Editorial:

RULERS IN ONE'S OWN COUNTRY  
(SINAR HARAPAN, April 23, 1975 - MN)

We need not be nervous or panicky in viewing the latest developments in Indochina. On the other hand, we may neither be indifferent and assume that what happens there there have no bearing on our problems.

Two related matters stand out in the developments in Kmer and South Vietnam, namely relations with the U.S. and attitudes toward Communism. To state it simply or in terms of black or white, what happens in Indochina is the defeat of the pro-America and anti-Communist forces and the victory of the Communist and pro-Communist forces.

What happens with the role and fate of those who are anti-Communist but not quite pro-America and were not quite enthusiastic in their support of the regimes in Phnom Penh and in Saigon is a story in itself.

However, the problems underlying the developments in Indochina cannot be formulated purely in terms of pro- or anti-America and pro- or anti-Communist.

We are of course faced with question-marks concerning Prince Sihanouk's recent statements because we do not yet know for certain what his position is now and in the future in the new government in Phnom Penh.

Yet, we should take note of the Prince's remarks. Sihanouk said, recently, for example, that the U.S. is no longer needed as an enemy after the Red Kmer is in power in Phnom Penh. He added that their purpose is not to humiliate the U.S. but only to be rulers in their own country.

Our hope is that the Red Kmer will truly be rulers in their own country within the scope of their relations with the Democratic Republic of Vietnam, China and the Soviet Union.

When we proclaimed independence on 17 August 1945 a national state under a national leadership was born. But when the Vietnamese proclaimed their independence 30 years ago on 2 September 1945, a national state under a Communist leadership was born.

Was the



Why the Indonesian independence movement gave birth to a national state, or more correctly a Pancasila state, under a national leadership and the independence movement of the Vietnamese produced a national state under a Communist leadership, this can only be answered by studying and comparing the history of the independence movements among the two peoples.

In Indonesia, the Communists attempted twice to seize the national leadership, namely in the Madiun rebellion (1948) executed according to the Moscow line and in the G30S/PKI event (1965), executed according to the Peking line.

We can add that the Dutch attempts to counter the Republic of Indonesia by setting up puppet states also ended in failure.

This shows that a movement whose aspirations are essentially derived from foreign sources will fail in attempts to seize power from a national leadership that is rooted in the history of struggle of the people.

In Vietnam we see that the attempts to form a state to rival North Vietnam, first with French support and then with U.S. support have evidently come to nothing in the end.

Ngo Dien Diem and Nguyen Van Thieu symbolized the attempts carried out with determination by Vietnamese who refused to live under Communist rule but who failed precisely because of absolute reliance on U.S. support.

It should be noted that in the process both Ngo Dien Diem and Nguyen Van Thieu suppressed anti-Communist individuals and groups that were not quite in agreement with the ways of their governments.

One of the features of a government which is absolutely dependent on foreign powers is corruption because this government is not under the control of the people.

Corruption is not the basic trait of such governments. Corruption is the consequence of the fact that these governments are not rooted in the people and thus are not under the control of the people.

We hope that in the future there will be good relations between Indonesia and the Indochina states ruled by the peoples concerned themselves so that a free, peaceful and neutral Southeast Asia can be created.

On the one hand, this means a creative application of Indonesia's active and independent foreign policy. On the other hand, it means that we must continue building a country which not only has special characteristics rooted in our own history, but which also seriously and creatively practice all the principles of Pancasila which makes us immune to Communism. For if the five Pancasila principles are practiced to the extent of our ability, there will be no room for Communism.

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Editorial:

WHAT ABOUT KOREA?  
(KOMPOS, April 24, 1975 - IV)

Because of the reports on the war in Vietnam, not all Indonesian newspapers carried a report on the visit of North Korean President Kim Il Sung to Peking.

The visit



The visit may just be a routine friendly visit because Pyongyang-Peking relations are good. It may be related to developments in Indochina which favor the Communist movement.

When all of Vietnam is united under Hanoi, then only Korea will have such a problem, meaning a country that is divided into two halves, one Communist and the other non-Communist and the two are hostile to each other.

Between Vietnam and Korea there are both similarities and differences. In South Korea there are no pockets of guerrillas. North Korea is completely controlled by Pyongyang and South Korea by Seoul.

But there is another nation divided into two states with different social systems but which finally accept the status quo, namely West Germany and East Germany.

Though humanitarian dialogues via the Red Cross have been held between North and South Korea, the relations between the two states are not yet as progressive as those between West Germany and East Germany.

The problem is not detached from the territorial context. In Europe the Soviet Union and its allies tend to accept the status quo as the result of the second world war. In Asia, the tendency does not apply in Indochina because the historical context is different indeed.

It is hard to say whether it applies to the Korean peninsula, considering that South Korea is only a small spot on the East Asian mainland controlled by China.

However, since both South Korea and North Korea are in an equally strong position the possibility that the status quo will be preserved is not precluded. South Korea's position will be stronger if President Park discovers good ways of accommodation and dialogues with opposition groups.

Another aspect is the U.S. commitment. There are still U.S. troops in South Korea. They are being reduced, but their presence has been assured up to now.

One of the poignant consequences of the developments in Indochina is the doubt among the U.S. allies that the U.S. will keep its promises. It is no wonder that South Korea, too, is questioning the matter. Will the U.S. defend South Korea in the event of an attack by the North?

Or will the U.S. feel secure provided Japan is protected? In Japan itself the old question has been asked again. Can this big industrial country continue to rely on the U.S. for its defense or must it rely on its own strength by bolstering its armed forces and making nuclear weapons?

It is rather difficult to say something definite about the U.S. commitment at this time. The reason is that in the U.S. itself the question is being asked and the answer is not yet given. The U.S. is in the process of reappraising itself, its position and role in the world and its commitments.

We get the impression that the U.S. is more and more inclined to look within and adjust its role to the new political realities in the world.

Such an attitude on the part of the U.S. can be fatal to the countries which have thus far depended on it, especially if Peking, for example, persistently continues to support its allies.

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Editorial:

FAMILY PLANNING PROBLEMS  
(NOTAS, April 24, 1975 - JN)

Three practical problems are the main items of discussion at the working conference of the BKKBN (National Family Planning Coordinating Body) now under way in Jakarta. They are the re-evaluation of performance in the past, a review of the implementation of the family planning program and the preparation of future plans.

Prof. Dr. A. Hafid, first BKKBN Deputy chairman, who is assigned to re-evaluate past performance says that the number of family planning participants from the start of Pelita I to March 1975 is 4.5 million. What is encouraging, according to Prof. Hafid, is that participants belong to the younger age groups, the number of children per family has dropped and the family planning program has spread to groups with little education in the rural areas.

He says that according to provisional calculations there is a reduction of 20% or so in fertility levels. Some 90% of mothers approve the family planning program while obstacles to the family planning program have been decreasing.

Prof. Hafid's report is encouraging. But there are also shortcomings. He says that there is no overall synchronization yet in the execution of the family planning program.

Indonesia has a way of its own in carrying out the family planning program. This has been mentioned by BKKBN officers on many occasions. The special way is a multidisciplinary approach to the family planning program.

This program is carried out not just by medical doctors, but also by lawyers, economists, social and cultural experts and community leaders. So the PTBN which is the highest body is a council comprising experts from the sectors of education, information, medicine, manpower, bankam and so forth.

According to Prof. Hafid, the synchronization of the various disciplines is still lacking. This is also our impression. The comprehensive approach is needed not just to reduce the number of children but also to cultivate a happy and prosperous family.

The attempt to reach the target of acceptors is an effective way to reduce the number of population. This method is concrete and the target is clear. Only the way of reaching the target should also be weighed.

Whether acceptors will be steady and happy practitioners of the family planning program depends on the method of approach. If the acceptors themselves understand the benefit they will pass it on to others.

The question has been asked whether the family planning (KB) program had better be a prosperous family (KS) program. Considering what the KB seeks to achieve and also considering the comprehensive approach, there is only a difference of terms between KB and KS.

The target of the KB is a prosperous family. If this is so there are some implications. In addition to trying to reach the target, it is also necessary to prepare marriages via courses, via nonformal education.

It will also be clear here what role the various groups in the community, including religious groups, can assume. In intimate matters which concern family life, their influence can be effective.

The KB



The KB program is vigorously pushed since one of our basic problems as a nation is the population growth. The growth will be explosive in the year 2000 if the KB program is not accomplished.

So far only limited circles in the community are aware of the population explosion problem. Since this is the larger context, knowledge of the population problem should also be disseminated among the general public.

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The conference suggested joint measures in the effort to stabilize prices and international demands for raw material and suggested that all the AA countries adopt a common stand in the U.N. and all other forums. 215

Regarding the resolutions in the economic field, we notice that the decisions, recommendations and aspirations have inspired the struggle of the developing countries to build their economy.

Developing countries have formed groups to struggle for a fairer pattern of international trade, including reasonable prices for raw materials. The conference of the raw materials exporting countries in Dakar and the summit conference of the oil exporting countries in Algiers have continued the Bandung Conference's desire and spirit for economic cooperation.

Cooperation among the Asian-African countries has been kept up, among others via regional cooperation. We notice regional cooperation among the African countries, among the Arab countries, the Latin American and the Southeast Asian countries.

In the U.N. the AA group and the group of developing countries in general are groups which have been increasingly taken into account, not just because their voice is the majority voice but also because of their mature and responsible attitudes and views.

The Bandung spirit has inspired the growth of the developing countries which are now confronted by a growing challenge to improve the living conditions of their peoples.

\* \* \*

WHAT IF ALL OF INDOCHINA TURN COMMUNIST?  
By Dr. H. Roesslan Abdulkani

(MERDEKA, April 25, 1975 - MN)

"America (in the Vietnam War) is showing signs of that arrogance of power which has afflicted, weakened and in some cases destroyed great nations in the past...." - Senator J.W. Fulbright in his book, "The Arrogance of Power" (1966).

Since we are still celebrating the 20th anniversary of the Bandung conference I would like to bring back to mind the Bandung consensus on the Vietnam problem which is now the focus of attention. The Bandung consensus said that it was necessary to promptly bring the two Vietnams together to have a "unified Veitnam" and considered such a unified Vietnam "qualified to membership of the United Nations."

The consensus did not mention a Communist Vietnam or a liberal capitalistic Vietnam. In other words Bandung urged the two Vietnams to negotiate on the basis of self-determination to have national harmony and unity in accordance with the provisions of the Geneva conference of 1954.

All the four countries of Indochina, namely Laos, Cambodia, North Vietnam and South Vietnam attended the Bandung conference and participated actively in the discussions. All of them, including North Vietnam and South Vietnam, supported the Bandung consensus.

Why was the consensus not realized? The reason was none other than foreign powers' involvement in the domestic affairs of the Vietnamese peoples. The consensus was trampled upon but it was not dead.

The country



Friday, April 25, 1975

TABLE OF EVENTS

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the original.  
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Editorial:

RELEVANCE OF BANDUNG SPIRIT  
(KOMPAS, April 25, 1975 - IN)

It may be a coincidence but the relevance of the commemoration of the Asian-African conference this year may be seen, for example, to the developments in Indochina. National independence, the integrity of being sovereign and territorial integrity, non-interference in internal affairs, rejection of the domination of any great power, these are some of the specifications of the Bandung spirit formulated in the Ten Principles.

With the latest developments in Vietnam these matters are topical again. Since 1955 the spirit has engulfed the countries of Asia, Africa, Latin America, the non-aligned countries, the countries of the "third world" or developing countries.

Nationalism has remained the driving motor of life and development in the developing countries. Because of political realities and the concrete demands of the people in the newly independent countries, emotional nationalism has become mature nationalism.

What was dominant in the 1955 Bandung conference was the political solidarity of the Asian-African peoples, particularly solidarity in obtaining national independence and defending this independence. Conspicuous was the attitude of anti-imperialism and anti-colonialism "in all their forms and manifestations," as consciously specified.

In the economic field, too, the conference adopted important decisions. At that time these decisions were relegated by political solidarity, aspirations and slogans. In this period of development, the resolutions in the economic field have a greater relevance.

The resolution on economic cooperation recognized the pressing need for economic development in Asia-Africa. Cooperation among the AA countries, between each of them and other countries and also foreign capital investments were felt to be necessary.

The conference recognized the need for bilateral economic aid and cooperation or for aid via international institutions as a supplement to national development. The conference called for the establishment of a special U.N. fund for the economic development of the AA countries and for the channelling of greater International Bank funds to the AA countries.

The conference



What influence will the changed situation in Indochina have on the Southeast Asian, and particularly Asean, countries?

Even though the domino theory is unfounded, we must not be blind to the reality that the Communist ideology is always aggressive, particularly to exploitation by colonialism, feudalism and liberal capitalism. In addition, China with its teeming millions of people has historically shown tendencies for demographic expansionism.

So while rejecting the domino theory, we should not automatically relax our watchfulness of the aggressive traits of Communism and China's expansionism. The social-economic conditions of the Asian societies and the political system of the Asean governments must be so developed as not to offer a target for the above-mentioned aggression and expansion. Thought should also be given to drawing Indochina to the Asean atmosphere so that the zone of peace and Southeast Asian's zone of neutrality will be wider.

Finally we must not forget that Southeast Asia's vitality will prompt the great powers to adjust their strategy to the changes in Indochina. It is quite likely that America will retreat to the blue water periphery, i.e. to strengthen its defenses not on land but on all the seas, while trying to bring about a new balance that will be profitable to it in the face of the Sino-Soviet competition in the areas it was forced to abandon. China itself will quite likely abandon its long key policy gradually to prevent the growth of Soviet influence in Southeast Asian.

In short, we are experiencing fundamental changes, both seen and unseen, in our surroundings.

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Editorial:

ASEAN'S REGIONAL RESILIENCE MUST BE STRENGTHENED  
(BERITA BUANA, April 25, 1975 - MN)

Indonesia's national resilience is total resilience. It is resilience in the military, economic, social, political and cultural fields and it involves all the people.

Only with such a resilience is there a positive sense of confidence and security, not security which belittles dangers, or which is brought about by indifference.

National resilience reduces and is even able to smash subversion.

Indonesia is fortunate in having a doctrine of national resilience and we consider it necessary that under present conditions the doctrine should be introduced to the Asean countries in particular.

What we mean by present conditions is the progress made by the Communists in Indochina. Even though at this time they do not yet pose a danger to Indochina's neighboring countries, because the Communists will take time to consolidate themselves, ASEAN had better be prepared before it is too late.

We hope that by regular consultations and exchanges of experiences Asean's regional resilience will soon be developed. It must be so that if Malaysia or Thailand, for example, are pinched we feel hurt and jointly deal with the pinching party. In our opinion, it is not justified to seek individual safety because not only is this ineffective, but it is also out of keeping with the Asean spirit which calls for close cooperation in various sectors.

We hold



The country which most deeply involved itself in the Vietnam war was America. Never after the end of the second world war did America mobilize such forces and as it did against North Vietnam. But this small country, with arms aid from America's adversaries in the cold war, proved to be able to stand its ground. As Walter Lippman wrote, "The American mastodon is fighting with mosquitoes in Vietnam. It's not possible for the mastodon to punish the mosquitoes, let alone annihilate them."

That was Lippman's simple and plastic warning to the American people a couple of years ago. Fulbright's warning quoted above is not as simple and plastic. He related his criticism and warning to the essence of power, its use and also its basis, motivation and goal.

Power as seen here is detached from those who assume it. It is a social phenomenon which is fearsome when uncontrolled and unbalanced. Without the check and balance mechanism it can detail from the tracks of morality, justice, ethics and humanitarianism.

In the Anglo-Saxon world of thought, there is a famous saying by Lord Acton, namely that "power tends to corruption. Absolute power corrupts absolutely."

Despite the check and balance, power still showed its arrogance, and it was this that Fulbright noticed in America's life, especially in connection with the war in Vietnam.

The arrogance of American power, among other things, belittled every nationalism in Asia which was critical of America's policy. This was seen clearly in Indochina 20 years ago. In the policy of containing China, the strength of nationalism in Indochina and Southeast Asia was considered to be insignificant. On the other hand, Communist strength was considered so strong that it could only be broken by armed force, regardless of the conditions required for the use of armed force. As a result, the social basis was very narrow, confined to remnants of feudalism and the bureaucracy.

Nationalism in Indochina that was more religious, more oriented to the people sensed it had no room for movement in the face of the arrogance of the foreign military power. In the end such a nationalism joined forces with Communism, receiving Communist elements but also giving nationalist elements to international monolithic Communism.

But the basic question we must ask is this: is it true that America has always been consistent in its anti-Communist policy? It suffices for us to study President Truman's and President Eisenhower's policy toward Communist Yugoslavia and President Nixon's policy toward Rumania to know there is inconsistency. The reason is that more than being anti-Communism, America is anti-monolithism. Washington welcomed the split of the Communist monolith which caused Yugoslavia and then China to move out of the Soviet orbit. Not infrequently Washington supported such rifts.

The most urgent problem now is what if the whole of Indochina turns Communist? Such a development is quite possible in view of Phnom Penh's fall and Saigon's tighter encirclement.

In such a situation Communism in Indochina will have a lighter red color than the Communism of Yugoslavia and Rumania and will likely grow under certain conditions. Its foreign policy will be more non-aligned than Peking's as is the case with Belgrade's policy compared with Moscow's.

The social-economic system will be developed toward "state socialism" in cooperation with collective cooperatives without a priori rejecting outside, including Western, capital.

This is not a new estimate. Even in Bandung 20 years ago such a possibility was already discussed. Now it will become a reality, unfortunately by force.

What



We must cling fast to the principle that foreign bases in this part of the world, whatever the form, are unnecessary. We should be on our guard concerning offers of assistance of military personnel in civilian dress.

In short, the Indonesian people are not willing to see their country turned into a place of evacuation of U.S. forces from Indochina either directly or in disguised form.

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We hold that when the regional resilience has developed well, the problem of foreign bases whose dismantling is prepared by the foreign parties themselves is no longer a problem.

The reason is that with the developed regional resilience Asean is strong enough and able to repel any threat from without and any form of subversion from within.

In this context we support Foreign Minister Adam Malik's view that it is necessary to hold an Asean summit meeting. Of course, this meeting should discuss not just Indochina but also necessary measures which the Asean countries are to take jointly after discussing the problem.

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Editorial:

INDONESIA SHOULD NOT SUFFER CONSEQUENCES OF INDOCHINA  
(MEPEKA, April 25, 1975 - MN)

Phnom Penh's fall and President Nguyen Van Thieu's resignation will of course open a new leaf in that part of the world. The new leaf chiefly involves the total elimination of U.S. intervention.

As usual Western, and particularly American, news sources have spread word that the situation there would be insecure and uncertain since the new power will not be able to solve economic problems. The surrounding countries are intimidated by the domino theory, namely that the Communist forces would attack them.

Such a psywar has no more takers. It is not based on historical reality and furthermore it contains a contradiction. It is said on the one hand that the Communist power will face economic difficulties and that there will be fresh troubles but that on the other hand, the Communist forces will sweep the surrounding countries and are thus very powerful.

The Southeast Asian peoples understand what the real objective is of such a psywar. On the one hand, it seeks to make the peoples unfriendly to the new power that is said to be Communist and on the other, it seeks to have them ask for U.S. aid to face the domino theory.

But Lon Nol's flight and Nguyen Van Thieu's screaming before his resignation proved that the U.S. policy in this part of the world is in a shambles.

We must not be trapped by the psywar. For example, we must not be trapped by the psywar on refugees on the pretext of humanitarianism. If the U.S. does not interfere, the Vietnamese themselves will be able to solve the refugees problem. They know what humanitarianism is. They know who really lack humanitarianism by bombing Vietnam's soil and people. The bombing has produced millions of orphans. This has never been talked about when as under the Paris agreement the U.S. must help rebuild war-torn Vietnam.

The tragic thing is that it is the orphans produced by the American soldiers there that are talked about. And these innocent children are used as a propaganda means to cover America's face. It is sad that many people still believe the propaganda.

Indonesia should not accept such consequences of Indochina which the U.S. has scattered. As a people who believe in our own strength, we must not be lured by military or defense aid which can drag us into the U.S. strategy of continuing to intermeddle with Southeast Asian affairs. We must cling

We must



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In any case, the chance to return to their own country must be more open for the second kind of refugees compared with the chance for the first kind. There is less chance of retaliation for the second kind refugees.

The Cambodian case becomes more complicated because there is no news until today. Cambodia has not open its door for outside communication yet, probably because the Cambodians are busy settling the differences among themselves.

Humanitarian institutions such as the International Red Cross can work more efficiently, supposing the new government in Phnom Penh starts communicating with outsiders.

The return of the non-political refugees might be arranged with the guarantee of their safety. From Thailand it was reported that some Cambodian refugees had returned to their country.

If there is a possibility, no matter how small, Indonesia and other countries in Southeast Asia are obliged to help the return of the refugees to their own country. For instance after there is an understanding from the new government in Phnom Penh.

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Editorial:

VIETNAMESE REFUGEES AND US  
(BERNEKA, April 28, 1975 -- BR)

An American magazine published on 21st April wrote that there was a possibility President Ford would approach Indonesia and the Philippines to receive some of the Vietnamese refugees from Saigon. Last Tuesday Minister Mashuri announced the opinion of the Indonesian Government that it was impossible for the government to receive them. Indonesia did not have enough food and clothes, the Minister emphasized.

We would like to add that our country up to now is not able to give work to millions of jobless people. That is the fact with us. It is a bitter fact; there is no need for us to play Santa Claus even if we are flattered by the U.S. Government or international organizations!

Why is the U.S. making so much noise about the Vietnamese refugees? First, it seems that the Ford Government was pressed by the Pentagon and the CIA as well that pro-American South Vietnamese must be evacuated, including their families, regardless of their numbers and the expenses involved. What is the reason? The problem involves the American political strategy in South Vietnam particularly.

Hundreds of thousands Vietnamese work as secret agents for the political interests of the U.S. in Vietnam. Most of them are recruited as trained personnel of what was made famous as the Phoenix Operation of the CIA. What is the Phoenix Operation? The movement is aimed to arrest or to eliminate any Vietnamese suspected of or can be proven to be taking side with the PFGSV or the Communists. In each hamlet, in each town there exist offices operating in connection with the Phoenix Operation. In the long run, the specially trained South Vietnamese could not help boasting publicly that they were the good trained staff. It is only natural if the names, address and other information concerning the staff are registered by the PFGSV, because the Phoenix Operation is in the framework of the CIA. The repeated military defeats caused Nguyen Van Thieu to order the evacuation of a mountainous area in the central South Vietnam. This evacuation created panic among people in Saigon. When the U.S. aeroplanes evacuated Vietnamese from

Danang



We are happy to see the restoration of pride and optimistic confidence. But all the sacrifices America has made in Vietnam would be in vain if no deeper lessons were derived from the experience. We trust that the process of reappraisal in America on the significance of its experience in Vietnam will give birth to an attitude which is more realistic and which more greatly appreciates the identities and aspirations of the peoples involved in understanding its role in Asia and in the world in general in the future.

Some people wonder why so many Asian leaders who are friendly with the U.S. has suffered tragic failures, like Chiang Kai-shek, Sengman Phoo, Ngo Dinh Diem, Lon Nol and now Nguyen Van Thieu. This question cannot be avoided by America and the Asian peoples. America's role in Asia does not end with the end of American involvement in Vietnam in the days ahead. Both America and the Asian peoples must learn a lesson from the experiences to develop ways and a spirit of cooperation which will be more profitable to all parties in the future.

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Editorial:

ABOUT THE REFUGEES  
(KOMPAS, April 26, 1975 - HR)

Last Thursday the Malaysian Government ordered 625 Cambodian refugees to leave Malaysia as soon as possible, according to Agence France Presse. There were 500 refugees and military personnel already in Malaysia, who had escaped by patrol boats.

Most of the Cambodian refugees are in Thailand, across the Cambodian border. Thailand confiscated airplanes, tanks and other vehicles brought by the refugees in their escape. Those equipments will be returned to the new Phnom Penh Government. Thailand permits the refugees to remain there only for about one month for humanitarian reasons.

There has not been any refugee coming to Indonesia yet. However, Minister Mashuri stated that we would not be able to receive them because we had many problems. Minister Adam Malik supported the opinion. Mashuri added, that if the refugees only pass by on their way to the new destination, they would be given permission on humanitarian grounds.

The problems of refugees does not stop there; refugees from South Vietnam start coming up. There are photos of thousands of Vietnamese in Saigon lining up to get visas to enter the United States.

Unlike West Europe, Australia and the United States, the Southeast Asian countries are unfamiliar with the tradition to receive political refugees. Due to the situation in Indonesia, Malaysia and the Philippines, it is difficult for them to receive refugees.

Those countries are overpopulated and need more employment, and there is the consideration of political implications. It can be a precedent to those countries and can create repercussions to the new Government in Phnom Penh and Saigon.

The considerations do not make us indifferent to the fate of the refugees. We can approach the problems from the humanitarian aspect.

There are two kinds of refugees. Political refugees, generally political leaders of the old regime. They fled because they feared retaliation. They are rich, so can afford to travel out of the country to enter far places such as the United States, Australia, France. The second kind of refugees are the men in the street. They escaped probably because they were in panic or fear or because they just followed others, even though political considerations might be included.

In any



Editorial:

AMERICA'S ROLE IN ASIA IN THE FUTURE  
(SINAR HARAPAN, April 25, 1975 - TN)

The U.S. has not yet been fully free from involvement in the developments in Indochina. The U.S. Congress had just approved a plan for evacuating from Vietnam Americans and Vietnamese who feel that they are safer under American protection than in their own country. There is an estimate of some 175,000 of such Vietnamese. Besides setting aside 250 million dollars, the U.S. Congress also approved the limited use of American troops to protect the evacuation operation. 21

It is clear that these efforts are the final stages of the story of American involvement in Indochina. It cannot be imagined that the American evacuation operation would seek to get a foothold again in Vietnam. America is sufficiently aware that it should no longer have such an idea.

How does the U.S. view the meaning of its involvement in Indochina which is nearing its end?

There is a sense of relief that America has been freed from a heavy burden. In an address that was warmly welcomed by some 5,700 students in New Orleans, President Ford said: "Today America has regained the pride it had before Vietnam. The time has come to look to the future, to the healing of national wounds and to the restoration of optimistic self-confidence."

The History of American involvement in the struggle of hostile forces in Vietnam and in Indochina in general originated from the cold war atmosphere of the fifties. America was involved because it wanted to stop the advance of Communism in Indochina which at that time it saw as part of a compact international Communism. America was involved on the calculation that the task could be completed within not too long a time and with not too great sacrifices.

Actually it has been clear for a long time that the assumptions underlying American involvement in Indochina are not true.

However, it was not easy for America to discover a way out. In America itself there were sharp conflicts on withdrawal or continued involvement in Indochina. The question of prestige of a great power and its loyalty to its promises and commitments were also involved here.

In the 1972 presidential election, Democratic candidate George McGovern offered a radical road to peace to the American people. He said that he would promptly go to Hanoi when elected President to end the war and open a new leaf in America's history. But at that time the American people were not yet able to accept the idea. They elected Nixon who promised peace with honor. It is the political line which gave birth to the Paris agreement which essentially means the honorable withdrawal of American troops and the invitation to the forces in Vietnam to reach a settlement among themselves. The agreement among the forces in Vietnam was evidently not yet reached. But anyhow, America managed to extricate itself from the unending war.

America is not used to experiencing major failures or in other words, defeats in its history. Up to now America's history is a history of successes. No word is more appreciated in America than "success." Therefore, America's political failure in Vietnam and in Indochina in general has resulted in disputes among the American people, and has also given birth to a crisis of self-confidence on the part of the great nation. Against this background, we understand the remark of President Ford that America has regained the pride it possessed before Vietnam.

We are



Actually there have been doubts about America for a long time, particularly among the countries which consider themselves American allies. Taiwan's feeling of having been "sold" to China and the "Nixon Shocker" in Japan at the end of 1972 are two examples.

In Southeast Asia, the developments in Kimer and South Vietnam are examples nearest at hand how America failed to honor its commitments to help these countries face the Communist movement.

Though the American government promised that it would protect the interests of South Korea, one cannot yet be certain whether the great power would involve itself should a fresh war break out on the Korean peninsula.

The vagueness of America's policy in Asia and the non-fulfillment of commitments made to some countries has obscured America's position and has harmed the countries concerned.

Such a situation should be realized by America and particularly by the countries in Asia which so far have relied too much on the great power.

We should be aware that America is giving more attention to regulating the world by a political superstructure with a balance among the great powers.

From this aspect, America's policy in Asia seeks only to preserve the balance with the Soviet Union and China, with the possible addition of Japan in the future.

Since the proclamation of the Nixon Doctrine in Guam in 1969, America has reduced its involvement in Asia. Nixon's fall because of the Watergate scandal also means the non-fulfillment of American commitments to the American allies in Asia.

The change in American policy to Asia has actually begun since 1969 and has been speeded up by the birth of the policy of detente among the great powers on the higher level.

With the detente policy on the higher level, America has probably hoped for local wars on the lower level to be reduced and for Communist movements to subside.

With the present government in Washington, America's policy to Asia will not change much. Moreover, America's attention is focused on European security and the Middle East problem.

If this is so, then the Asian countries should be able to see and place the American policy in the proper proportions. They should not hope for too much from America.

It is the task and responsibility of each of the Asian countries to step up their national resilience, not to interfere in the domestic affairs of whatever country and to cooperate for progress in the future.

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The major reason may be that our political style since 1968 has been different indeed. There are no longer mass manifestations, mass rallies, demonstrations, resolutions, protests, expressions of solidarity and other forms of public manifestations.

Our political style has become pragmatic, rational and there is a channel for every profession. 240

If the cause is political style, then we ask the question whether a very dry style in political life is good for the cultivation of national resilience.

As material for consideration we should ask the question whether the dryness of response is caused, among other things, by the attitude of not wanting to take the risk of being wrong. This is an attitude which, if tolerated, will easily turn into indifference.

We all agree that national resilience and regional resilience should be developed further. That is our concept to deal with possible pollutions in the political and security fields as the result of the developments in Indochina.

National resilience covers ideology, politics, the economy, social and cultural matters and defense. In our opinion, inter-relations are central in national resilience which covers all sectors of society's life.

The government shares this view. It has invigorated social communication processes. Via the social communication processes, dialogues and inter-relations between the government and society and among the various groups in society are encouraged.

Via social communications, the public is horizontally and vertically involved in problems so as to create awareness, mutual understanding and creativity. In this way national resilience becomes a reality and is stronger.

It is because we have placed it within the scope of national resilience that we have raised the question about the little public response to the developments in Indochina.

We will be happier if the impression is wrong. If there may be some truth in it, we should try to discover the causes objectively and critically.

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Editorial:

AMERICAN POLICY IN ASIA  
(PELITA, April 26, 1975 - 134)

U.S. Secretary of the Treasury William E. Simon at the Asian Development Bank meeting in Manila last Thursday said that there would be no change in his country's policy to Asia and that there would be no American withdrawal from this part of the world.

Earlier he said that he knew many governments in Asia were concerned and no longer trust America because of developments in Indochina.

Unfortunately, he did not say what American policy to Asia would be in the future after the Indochina war is over. Neither did he mention the different stages of concern on the part of the friendly countries in Asia.

Actually



Mr. Blount

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TABLOID OF EVENTS

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Editorial:

LITTLE PUBLIC RESPONSE?  
(KOMPAS, April 28, 1975 - IN)

According to the French newsagency AFP, 40 Cambodian Muslims were killed by Red Khmer troops when they were fleeing to the Thai border.

In his press statement, Mohamed Natsir, Vice President of the World Islamic Congress said that if the report was true, it would be a source of concern for the Muslim world. The World Islamic Congress is now investigating the truth of the report.

Natsir's statement was one of a few reactions of the Indonesian public to developments in Cambodia and South Vietnam.

Deputy DPR Speaker J. Naro also made a comment once. He believes in the domino theory because there is domestic subversion in the Southeast Asian countries. The domino theory can be put into effect via the subversive movements.

So far we have not yet heard statements from youth, student and other organizations.

It is this symptom which raised the question whether the Indonesian public has little interest in social problems. Or whether this attitude is confined to the Indochinese problem about which people have had more than enough.

Many of us view the developments in Cambodia and Vietnam with an attitude of "deja vu", of knowing beforehand what will happen.

However, the recent developments in Indochina are quite dramatic since the climax has come so suddenly and with implications not just in the political and security fields but particularly in the sector of humanitarianism.

It is these aspects which have caused us to wonder why we have got the impression that there is little response on the part of the public, the various political groups and the students.

The major



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Danang some weeks ago, the South Vietnamese shot at each other. They were panicked, each wanted to leave first. Who had the privilege to survive: members of the Phoenix movement or members of the Saigon Armed Forces? The same question now appears among people in Saigon, the city now surrounded by the military movement of the PFG.

The existence of political refugees from South Vietnam will not create anything magical in the United States. They will be protected, given some capital or other kind of training to enable them to work in the U.S. Probably not as agents of the Phoenix Operation anymore. There is always a possibility that some of them might be sent back to South Vietnam, for the sake of U.S. interests there, generally for the benefit of the secret services.

What can happen when such refugees from South Vietnam infiltrate Indonesia? First, the case can create a movement operation which will strengthen U.S. arbitrariness as a big country in the Pacific; second, there will appear cases where internal problems of the government and national life are touched by foreign factors. It is in view of their complicated aspect that we support the positive statement of Minister Mashuri.

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Roeslan Abdulgani hoped that the government would be more open in reviewing attempts to create the desired socioeconomic conditions. He said, "For example, we must be more serious about the matter of luxurious life-style. I have so far not seen the creation of the conditions as the result of a conscious policy to remove or at least reduce the pattern of extravagant living. We should always be sensitive to what is living among the common people. I have toured the country and talked with people from all walks of life. The experience from these travels strengthens my conviction that our society has a strong resilience. But thought must be given to creating the supporting conditions."

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Editorial:

THE BIGGEST LESSON IN THE 20TH CENTURY  
(MERDEKA, May 7, 1975 - HR)

Ho Chi Minh is worshipped by the PRG which gave his name to a city once known as Saigon. Western journalists reported on the people's enthusiastic welcome when the Red Khmer troops entered Phnom Penh and the PRG troops entered Saigon.

People may have various conclusions or opinions about the events; however the last one goal of the PRG is the unification of North and South Vietnam. The only question is when and how will they be united?

If this principle is unchangeable, the world can only watch how long will the unification become a fact. For the last 30 years they have fought for their national independence and the right to determine their fate. Slowly but surely they will become socialist countries in a strong fort and live harmoniously like three brothers in a home.

There is no uniformity of opinion about the U.S. role in flaring up the twenty-year crisis in Indochina. The countries which gained their independence through blood and tears like ours understand well that the U.S. involvement in Indochina is to get its main conception defending its ideology to stem Communism prevail.

In these last days the U.S. political and military conceptions were completely mistaken. And the U.S. had to leave the country they wanted to Vietnamize. Some people opined that the U.S. did not penetrate into the hearts of true nationalists. The true nationalists had to unite to become anti-imperialist and non-Communist forces to show the self-reliance among big ideologies. Or to become a nationalism fed up with examples of corruption and fascism of the ruling government supported by foreign aid and thus turned drastically to the other kind of nationalism.

The presence of religious people, socialist democrats and other kind of ideologies in the PRG make the instant unification of North and South Vietnam slightly difficult.

Various adjustments to local conditions will at last make Cambodia, Laos and Vietnam socialist countries.

After the war President Eisenhower and McCarthy were so scared of the extension of Communism they took over French military and political roles there. Emperor Bao Dai fled, Ngo Dien Diem succeeded him as the U.S. puppet. Ngo was an anti-French nationalist and agreed to negotiate with the Communists. This was a hindrance and Nguyen Van Thieu became president until his recent flight to Taiwan.

The U.S.



The U.S. tried to prevent the "domino theory" from realization by sending half a million of troops and billion of dollars. The aid turned out to be useless.

With the present unbending U.S. state of mind, the U.S. has reversed its roles into suspicion especially among developing countries (Middle East, South Europe, Africa, South America).

In any case its allies lost faith in the U.S. The new role for Southeast Asian countries is at hand. We will also be affected because we cannot isolate ourselves from the surroundings.

The new roles will change the world's appearance, especially in Southeast Asia; and the U.S. cannot react the way it did ten years ago. The more balanced power the U.S. and the developing countries even might result with more countries saying goodbye to U.S. aid. And that power has grown. In fact, it has grown in our country, with the improvement of our economy.

The fall of South Vietnam into the hands of the PRC nullified the Paris Agreement. This will quicken the unification process; this will quicken the awakening of the big countries to cooperate with developing countries on the basis of healthier conceptions.

The defeated party in Indochina was the United States. However, its good intention to live peacefully side by side will be accepted even by those countries it has ruined in the last twenty years.

Only with positive aims can men live without harming each other. This is the biggest lesson for the whole world in the XXth century.

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Editorial:

STUDIES ON INDONESIA SHOULD CENTER IN INDONESIA  
(SINAR HARAPAN, May 6, 1975 - NN)

We view the Gadjah Mada University project of research into the Indonesian diplomatic history in 1945-1955 led by Drs. Moh. Idris A.K. as a sign of awareness that in the future studies on Indonesia should center in Indonesia.

During the Dutch colonial period, studies on Indonesia centered in universities and institutions in the Netherlands and this activity has been continued. Indonesians who wish to make a deeper study of local dialects, for example, have to stay in the Netherlands.

But studies on Indonesia in the sector of politics have centered largely in the U.S. and recently in Australia since the end of our independence struggle.

The studies on Indonesia in the political field now are dominated by the group of Cornell University scholars in the U.S. and the graduates of the University who spread in various other U.S. universities and in Australia.

Among the Dutch writers on Indonesia there is group which is oriented to the Cornell University scholars.

During the independence struggle the emergence of a center of research on Indonesia in the U.S., namely at Cornell University, was very favorable to us.

In that



In that way the position of Holland which monopolized scientific information on Indonesia was surmounted. Before the creation of the research center in the U.S. the world more or less depended on the books by Dutch authors when it wanted to get information on Indonesia. Generally, the books were written from the perspective of the interests and policies of the Dutch people who colonized Indonesia.

The studies of the Cornell scholars during these years and in the independence struggle were more successful than the Dutch books in reflecting Indonesia's aspirations.

It was not surprising that many Indonesian students in the years following the recognition of our sovereignty stayed at Cornell to obtain a degree in the field of studies on Indonesia.

After the G30S/PKI event there was an estrangement between the Cornell group of scholars and the Cornell University graduates who were scattered in other universities in the U.S. and Australia and the views in Indonesia in connection with their thesis that the PKI was not involved in the event.

Sometimes we got the impression that the thesis was no longer an objective conclusion based on scientific research. Sometimes the views approached a political conviction with the intention of influencing the political views of their readers to a certain line of thought.

The interpretation of this group of scholars on developments in Indonesia today more or less showed a certain color in view of the assumption underlying their thinking that the G30S/PKI was not a PKI coup attempt which was successfully foiled by other forces in our Republic.

We ourselves are aware that a great deal of Indonesia's condition needs improvement. We are not blind to our own shortcomings. But an emphasis on these aspects will produce a false picture.

What most recently these foreign scholars produced was a caricature of the situation in Indonesia.

We in Indonesia can shrug our shoulders and consider the books a game among a small group of foreign scholars. But the effect of their books is great because all diplomats, businessmen and even serious tourists who come to Indonesia generally obtain their information first by reading them. The reason is that there are not many books on Indonesia outside their works.

Therefore, we must work hard so that in the future studies on Indonesia will center mainly in Indonesia. We do not aspire to monopolize the studies on Indonesia. What we mean is that no foreign group of scholars should as it were monopolize studies on Indonesia.

What we mean is that our universities and institutions must not produce studies which are purely propaganda. Such propaganda studies will not achieve our purpose to have works on Indonesia which are objective and scientific and based on an understanding of the aspirations of the Indonesian people and the struggle to overcome various obstacles in achieving the aspirations.

In our view, the State Budget must set aside adequate funds for pushing our scientific institutions to produce books like those for readers both at home and abroad.

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Wednesday, May 7, 1975

TABLOID OF EVENTS

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 The following articles are unofficial  
 extracts and not full translations of  
 the original.  
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FORMER R.I. FOREIGN MINISTERS ON INDOCHINA DEVELOPMENTS  
(SINAR HARAPAN, May 6, 1975 - MN)

Moh. Roem SH (Foreign Minister in Sept. 1950-April 1951):

"What happened in Vietnam and in Indochina in general is a Communist victory and no minor American defeat. America has been known as the champion of anti-Communism and America has never suffered such a major defeat. After the U.S. spent 14 billion dollars, got 56,000 of its soldiers killed and 156,000 crippled, the war now ended in a Communist victory. It did not end with an honorable agreement, but with a Communist victory. So I think this development will have a great effect on the whole world which will affect the course of history. The United States has suffered a defeat, that's a reality which cannot be concealed. We understand why the Communists in Vietnam now have self-confidence because this is no insignificant struggle, but one which took a long time during which the U.S. at one time stationed a half million of its soldiers there. The U.S. defeat was not caused by lack of materiel. Its morale dropped. The U.S. was tired facing Communism there. Indeed, a war is usually not just of a war of materiel. There is always an ideological aspect."

According to the former Foreign Minister, the detente between the U.S. and the Soviet Union is only on the surface. Moh. Roem said, "Actually what happened in Vietnam was the continuation of the cold war, the continuation of the ideological war and in South Vietnam the conflict ended in a U.S. defeat. After World War II ended in 1945 there was a cold war between the U.S. and the Soviet Union which sometimes erupted into a hot war here and there, often in the form of a civil war. That made the small countries suffer. They could not defend themselves and sometimes the war was a civil war, but the main forces were in the background."

Tactic of Communism

"Some people talk about the aspect of nationalism in the Vietnam conflict, but it is always the Communist tactic to exploit existing factors. But that's only a secondary factor. The basic factor is the Communist struggle. The secondary factor may take the shape of nationalism, anti-colonialism or defense of the poor."

"But that's just the tactic of the Communist struggle. I think the Communists will not be satisfied until they control the world. That's their ultimate goal. In their struggle the Communists are more flexible."

"It's always



"It's always possible that the Indochinese countries will seek to be free from Moscow or Peking. That's possible, like Yugoslavia. They may try to have a life of their own, like Yugoslavia. Yugoslavia itself is in fact hostile to the Soviet Union. But we must not forget that there is a very-strong solidarity among the Communist countries. Though there are indications that it is hostile to the Soviet Union, Yugoslavia, for example, has thus been able to control itself and there is no war between them. Despite the tensions, Yugoslavia has consistently shown solidarity with other Communist countries on major international political issues in the United Nations.

"The possibility that the Indochinese countries will pursue a policy of their own which is somewhat free so that they are the satellites of no power, this is matter beyond our control. We can observe the possibility of such a development. But we must not depend on a possibility that is not yet a reality. As we have seen thus far, the solidarity among the Communist countries is strong."

Dependence on one's own strength

Moh. Roem then viewed the influence of the developments in Indochina on Indonesia as follows:

"So we need not question whether the developments in Indochina can be a Communist expansion toward our country. For Communism wishes to expand throughout the world, it will use every opportunity for expansion. Only it depends on the countries concerned whether they can preserve themselves and prevent the expansion.

"Since we proclaimed our independence on 17 August 1945, we have never relied on outside power. We did use political, economic and diplomatic aid from other countries during our struggle, but the essence is that we must be able to defend ourselves.

"And the key in cultivating our own strength is that we must see to it that there are not too many poor and miserable people. For if there are many poor people the Communists can emerge as the champions of the poor."

Our attitude

"With the bitter experience in 1945 we ban Communism at home after the Communists attempted to seize power twice. We are all anti-Communist because we are aware of the danger of Communism. But externally we continue to maintain relations with the Communist countries as we maintain relations with the non-Communist countries.

"There are two matters here: the problem of Communism at home and relations with Communist countries. The two problems are dealt with separately.

"At the early stages the Communist countries in Indochina will, of course, consolidate themselves first. We have already recognized them. So we must see whether or not they are prepared to maintain normal relations. If they are not, we cannot force them to do so. Our life does not depend on them. But we are willing to have relations with them as with other Communist countries."

The U.S. will review Asia policy

Moh. Roem thinks that with the development in Indochina the United States will review the policy it has pursued in Asia thus far. Moh. Roem said, "Firstly, the United States will remain committed to basic rights. Secondly, up to now the United States has been supporting countries which reject Communism. But among the countries which reject Communism some are authoritarian. Will the United States continue to support the anti-Communist states even though they are authoritarian?"

"There is



"There is big corruption in the authoritarian countries supported by the United States. But authoritarian countries need not always be corrupt. The defeat of Chiang Kai-shek at the end of the forties and also the defeat of the South Vietnam government, according to some observers, was caused by the fact that corruption was too big there. But there are also authoritarian rulers who are not corrupt, like General Franco in Spain. So I think the United States will review its policy toward the countries it supports. For the United States was defeated in the countries it supported not only once. It was defeated when supporting Chiang Kai-shek, it was defeated in South Vietnam."

Moh. Roem said in conclusion, "If the United States wishes to review its relations with Indonesia, that's not our business. We must depend on our own strength. We should not hope that Indonesia will be cultivated as the first line of defense in Southeast Asia."

"Anyhow we must defend ourselves. This is the key. In this world those who are not strong will be destroyed. But I think we should not be disheartened. For since the Proclamation we have experienced a great deal. We have become what we are because of our unity and sacrifices. That's our capital."

Ide Anak Agung Gde Agung SH (Foreign Minister in August 1955-March 1956):

"This time I ask you to pardon me. Though I'm a former Foreign Minister, I still assume an official function on the Foreign Minister's staff of exports. It's improper for me to give an interview. If I do I may be accused of taking over the task of the Deplu spokesman."

"I have followed the Indochina problem since 1951 when I attended the Geneva Conference on Indochina as an official R.I. observer. At that time I was ambassador to Paris. I received an instruction from Prime Minister Ali Sastroamidjojo who served as Foreign Minister a.i. (since Foreign Minister Sunario SH was in Holland) to go to Geneva, among other things, to get in touch with Prime Minister Chou En Lai who attended the conference. I recorded my experience in my book, "Twenty Years Indonesian Foreign Policy." I may add that what I suspected at that time and which I put down in my reports turned out to be largely true...."

Dr. H. Roeslan Abdulgani (Foreign Minister in March 1956-April 1957):

"In viewing developments in Indochina, we must not forget the history of Communism there. In the struggle against colonialism, Communism and nationalism in Indochina mixed."

"I think Communism in Indochina was cultivated not just by Moscow or Peking. Sometimes the United States, too, shared responsibility for the growth of Communism there. This 'American-made Communism' may sound strange, but the reason is that nationalism which is critical of the U.S. policy but which is essentially friendly is branded as Communist by the United States and treated as such."

"In the end the nationalists had no breathing space and were forced to join the Communists. We may have forgotten that in 1944 in the war against Japan Ho Chi Minh was once supported by a U.S. intel organization."

An example in our own history was the late Andri Sjarifudin. He could not have turned Communist essentially but at one time he saw no way out. When the United States mediated in the Indonesia-Dutch conflict in 1948 he felt as if he was abandoned by the United States. He was the example of a man in despair who went over to Communism."

Cases



Cases like this were found in a greater proportion in Indochina. Take Prince Sihanouk. At one time he was forced to side with the Red Khmer though considering his family background it is hard to call him a Communist.

"But there is a consequence of the combination of nationalism and Communism in Indochina, namely that the Communism in Indochina received elements of nationalism so that it is not "dark red," but rather "light red." Prime Minister Phan Van Dong once told me that he was indeed a Communist but he recognized the cultural and historical factors of the Indochinese peoples.

#### Pattern of Relations

Roeslan Abdulgani said further, "The possibility that the Southeast Asian countries including Indochina seek points of communication with the Indochinese countries requires the understanding of the superpowers. Does the U.S. in particular offer a chance for such a possibility or does it consider it dangerous to its vital interests. I think it is not dangerous, because in my view the vital interest of the U.S. is that no superpower achieves hegemony in Southeast Asia and Indochina.

"What we must bring about is a process of consultations and accommodation among the Southeast Asian countries, including Indochina, to create a community of nations with their own environment. We in Indonesia have to depart from some basic assumptions. First, the Indochinese countries are Communist, but their Communism is specific. The second assumption is that after such a long war, they will enter the stage of reconstruction which will take much of their time. It can be assumed that they will be more inwardlooking. On the basis of these assumptions we must always be ready to have communications, but what's also important is synchronous communication among the ASEAN countries so that there will be concerted action.

"For example, a common view on the attitude toward and relations with China and evaluation of domestic troubles in some ASEAN countries.

"The disturbances can always get encouragement from the events in Indochina but we must not overlook the sociocultural and economic factors which caused them."

#### National resilience

Roeslan Abdulgani said, "National resilience must not be based purely on the military factor. The concept must also consider socioeconomic factors. Regarding our attitude toward the Indochinese countries, we had better be prepared for communications without diminishing our vigilance against the danger of expansion. But we must also remember that the expansion also depends on a certain attraction, namely social and economic restlessness in the countries which form the target.

"In my opinion, there are reasons to be calm in facing the development in Indochina. I believe Indonesians and the Indonesian society are good and have awareness. Otherwise, how can we remain united in an archipelago with a population of more than a 100 million with different customs and religions.

"Only as the side-effect of the development method, the potential is somewhat covered. In recent years our economic policy has sometimes created passions which are 'un-Indonesian.' It is these symptom which will weaken our resilience. We cannot just say, that's forbidden, in dealing with them. The important thing is to create conditions which reduce the symptoms and the conditions must be the result of a policy made by the rulers."

Roeslan



For Indonesia, national resilience must be stepped up and Asean's regional resilience must be prepared. There should be no thought of being too friendly with Communist countries because they will abuse your friendship.

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Editorial:

MILITARY AID AND PACT  
(MERDEKA, May 1, 1975 - HR)

President Marcos of the Philippines last week announced his opinion about the withdrawal of the U.S. from Indochina, namely that now the ASEAN member countries want only peace and friendship for their development.

One aspect he put forward was the relation between his country and the U.S. We once wrote that the Philippines now can judge whether the aid is a good thing or a hindrance to its development. The same view was also put forward by Kuala Lumpur, Bangkok without mentioning the countries in Indochina. In short, the world now develops into true spontaneity which means the welfare and peace of a nation are fixed by themselves without the involvement of any other nation. Usually outside involvement is for the benefit of the outsiders.

This new voice from Southeast Asia is completely different from the American voice of the past. In the beginning of the post-war era, the balance of power for the U.S. meant the utilization of military bases in the "friendly country" is none other than a "lackey." The reason is simply that the military bases, such as those in the Philippines, Thailand, Japan and Singapore, are against the wishes of the local population. They are the wishes of the U.S. to guarantee its safety against its enemy, the Communists. Because the governments concerned did not have the consent of their people, they are called "lackeys." If it thinks it is necessary to give up those military bases considering its national interests, the Philippines will not hesitate to nullify the military pact and the military bases.

A foreign military base in a country, which does not belong to the government of that country is obtained through money or other means of power. It becomes the symbol of dependency of the country, in question.

Asian countries relying on U.S. power are awakened now. They have seen how military pacts with the U.S. failed to bring benefit. The great national victory in Indochina inspired self-confidence among Southeast Asians that military pacts with the U.S. are certainly not to their benefit.

The Pentagon announced for the first time that there were 9,500 U.S. civilians working outside the U.S. under military aid and training programs. They are deployed in South Vietnam, Saudi Arabia, Iran, Chile, Cambodia, France, Germany, Senegal, Tunisia, etc. The U.S. has to spend so much to become the "world police" to guard its own interests.

It appears that with President Ford a new era in which U.S. military bases and military aid are negatively evaluated has begun for the U.S.

If the U.S. has not understood that its military aid is not wanted anywhere else, later on the developing countries like the Philippines, Thailand, etc., will conclude that they are strong enough to abrogate the pacts; they might even fight to free efforts themselves from to change the status of being "lackeys" and determine their own fate. At long last the U.S. will face more challenges from the third world and face a declining political situation at home and abroad.

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LETTER TO THE EDITOR  
(KOMPAS, May 1, 1975 - MD)

IT'S NOT TRUE THERE'S LITTLE PUBLIC RESPONSE

In Kompas's editorial of April 28, titled "Little Public Response?" it was said, among other things, that "it is because we have placed it within the scope of national resilience that we have raised the question about the little public response to the developments in Indochina."

The editorial started with an AFP report on the murder of 40 Cambodian Muslims by the Red Khmer. (Another report said that 350 Muslims were killed).

I'm happy that Kompas has printed that editorial because it invites readers to think, encourages the thought that people do not live in isolation and opens the road to self-criticism.

The editorial covered two matters, first, the Indochina problem and second the problem of Muslims in Indochina.

Regarding Indochina a great deal has been said. For example, President Soeharto referred to a process of decolonization that was not yet over. Dr. Rooslan Abdulgani related the events there to the Asian-African spirit, the daily Merdeka and its writers played up the victories of the PRG and Red Khmer and the defeat of America. Deputy DPR Speaker J. Naro still believes in the domino theory even though Foreign Minister Adam Malik has reservations. A great deal has been written on Indochina, the peninsula and its tragedy.

Now about the Muslims in that region. In Cambodia there are 500,000 and in Vietnam 100,000 Muslims. It's about this that I agree with Kompas on the little public response. This essentially reflects the apathy of religious people and the bankruptcy of their solidarity. This is not confined to Muslims but also involve Catholics, Protestants, Buddhists, and others.

Let's be frank, and at least let's not deceive ourselves. Where's the solidarity taught by Christ, Muhammad, Gautama Buddha? It has evaporated, it's lip service.

Muslims in Indochina were shot dead, Muslim scholars in Somalia were executed, Muslim scientists in Iraq were hanged. The Muslim world was silent. Evangelists, Baptists, Catholic priests, Jesuit monks were suppressed, imprisoned behind the Iron Curtain and smashed in China. Where was the voice of the Indonesian Protestant and Catholic leaders? Frankly, they were apathetic, quiet and still. An exception might be the late Prof. Drijankoro, the Catholic philosopher.

The question is there's no more courage to express opinion, let alone to express human solidarity with fellow human beings in Indochina.

Are the people wrong for saying nothing or very little about Indochina or the destruction of Muslims in Cambodia? The late Prof. Djokosutono once said that the masses of the people very seldom express their opinion. It's their leaders who must be able to give form to the people's feelings. Now I ask the question, what's the role of our press in responding to the situation in Indochina for the sake of our national resilience?

I say they are all hesitant, as hesitant as Mr. Mohammad Natsir who still said, "If the reports that Muslims were killed by Red Khmer soldiers are true...." (Pelita, April 28). Where's the voice of the OHI? Where's the voice of the Council of Churches, where's the voice of MAMU?

But I can tell you that if the leaders are silent or in doubt, the common people are not. They continue talking about and following developments in Indochina though they still have to struggle for their daily rice.

The religions



The religious leaders in remote mosques who don't have the ambition to be Cabinet Ministers are alarmed though they are unable to communicate with the press. This is my opinion. I thank you when you publish this letter and also thank you when you toss it into the wastebasket.

R.M. Ali SS.  
Jl. Kencana 30 Jakarta  
Tel. 40250

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Editorial:

AT LAST SAIGON FALLS  
(Pelita, May 1, 1975 - HR)

The increase of the Communist attack in January was the beginning of the big offensive to capture Saigon. The Communists do not recognize the term of war and peace as long as Saigon has not fallen under Hanoi's hegemony. The launching of political and military moves at the same time has two aims. First to disturb the political stability of South Vietnam, and secondly to crush its military defense. Thieu's resignation on 21st April, followed by two changes of leadership in a week hastened the political and military change; thus deteriorating Saigon's resilience.

President Duong Van Minh was only a few days in power, he had no time to consolidate the whole defense system. He saw no other choice but to surrender without condition to the PRG.

Saigon's capitulation completed the Communist victory in Cambodia and the propagation of Communism in Laos. The whole of Indochina is under Communist influence.

Hanoi's statement to form the federation of Indochina last week and the PRG's radio broadcast last Tuesday to change the name Saigon to Chi Minh City reflected Hanoi's aspiration to achieve its goal.

A Communist Indochina is a fact now. Whether they will be pro-Peking or pro-Moscow remains to be seen. What is certain is Hanoi's dominant influence.

In the future there will appear two forces in Southeast Asia: Communist Indochina and non-Communist ASPAN. The two forces might cooperate, or fight, depending on the goodwill of the Communists in Indochina.

The capitulation of Saigon yesterday, preceded by the surrender of Phnom Penh on 17th April forces us to study the situation of post-war Indochina in relation to security and stability in Southeast Asia.

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Thursday, May 1, 1975

TABLOID OF EVENTS

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extracts and not full translations of  
the original.  
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Editorial:

SAIGON FALLS  
(KOMPAS, May 1, 1975 - MN)

The pattern is the same. Phnom Penh fell after the U.S. left it. Very late Marshal Lon Nol agreed that he would resign. Saigon, too, has suffered the same fate. It surrendered after the U.S. completed the evacuation of American citizens. Very late General Nguyen Van Thieu was willing to step down.

It was not General Duong Van Minh's fault when he failed to seek talks, even if the talks would lead only to capitulation in a diplomatic manner. There was no more card in his hand.

A tragedy has come to an end. It is hoped that it will not be the beginning of another tragedy. In the historical perspective President Soeharto was right when he said that the Vietnam problem was a process of decolonization that was interrupted by outside interference. Via a continuing suffering the process is now over.

The greatest suffering was the lot of the Vietnamese in both the south and the north. What was unique was that in Vietnam there were at one time half a million American soldiers, of whom 50,000 were killed there while the cost was no less than 150 billion dollars!

Also for the U.S. Vietnam is a tragedy which would have torn it apart if its national resilience had not been powerful. Some 150,000 American youths refused to be drafted for military service in Vietnam, and some 22,000 American soldiers deserted. President Johnson was forced to resign. And all this served only the purpose of surrendering Saigon.

The tide of history is on the side of the north. But had in Saigon been established a government that was rooted in the people, a government that was not repressive and corrupt like Ngo Dinh Diem's and Nguyen Van Thieu's, would there have been a 50-50 chance?

Various historical lessons and at least the aforesaid problems should still be a matter for consideration by other countries, especially those in Southeast Asia.

For Vietnam



For Vietnam itself all this is over. And there must certainly be some good in the fact that it is over. In the framework of defending freedom and human dignity against a totalitarian system, the shipwrecked attempt carried along with it a blot that was no less serious because the attempt was made by a violation of freedom and human dignity.

How many millions ordinary Vietnamese were the victims of the war and of the 7.6 million tons of bombs dropped there by U.S. bombers? From this aspect of morality, too, it is better than the Vietnam war is over now.

Is there any hope that there will be no other type of tragedy in the shape of the elimination of those who are considered enemies, to have a different ideology or who are classed as oppressors? This is the inevitable dilemma.

But even with this note, we can only hope that this is the time for peace and development for the Vietnamese.

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Editorial:

AFTER SAIGON HAS FALLEN  
(BERITIN BUANA, May 1, 1975 - MN)

We were skeptical about possible talks between North Vietnam/PRGSV and "Big" Minh's government in Saigon. But we were rather surprised by Saigon's quick surrender to the PRGSV.

It appeared that the "determination" of the Saigon troops to surrender was quite great in view of the orderly manner they proceeded to the designated places to surrender their weapons.

What will happen after Saigon's fall? It is possible that a provisional government will be formed, followed by the holding of a general election. In our opinion, this is not likely. There is a greater possibility that the PRGSV will consolidate itself and stress its Communist character.

We should have no illusion that at the time it came to power for the first time the PRGSV will be "moderate." On the contrary, it will show its "revolutionary" character and what is clear is that as of yesterday the whole of Vietnam has moved behind the bamboo curtain. It will be difficult to get information and the plots of Saigon-Hanoi will not be known easily.

The Buddhist and Catholic leaders who were in opposition to Thieu surely regretted it that Thieu's departure did not solve their problem but rather placed them in a more difficult position. Systematically and step by step their freedom for religious propagation will be reduced and then restricted to be ultimately replaced by Communist propagation which holds, among other things, that "religion is opium for the people." In North Vietnam the Roman Catholics have experienced difficulties in performing religious services. Government and party control is very strict.

What can be hoped for after the war is over is that Vietnam will now be busy with development. China and the Soviet Union which has been providing economic and military aid can now increase their economic aid. At least this is the line of thought of Japan which is reluctant to assist North Vietnam since its aid can reduce the burden of China and the Soviet Union to help their allies, including Vietnam, economically. This can encourage the Communist superpowers to increase their military assistance which can endanger Vietnam's neighbors in Southeast Asia.

For Indonesia,



MERDEKAEditorial

12 May 1975

The editorial notes that President Ford has expressed the desire, following the course of events in Indo China, to meet with several Heads of State of Asian allies - South Korea, Thailand, Philippines, and Indonesia.

It notes that the US has included Indonesia among her allies, along with South Korea and the others. It seems that Ford regards Indonesia as an ally, although there are no American military bases in Indonesia as there are in the other countries named. The US does, however, give Indonesia military aid and has in Indonesia military personnel described as "technical advisers". If the US, following its withdrawal from Indo China, is seeking to include Indonesia in its decreasing list of allies, it is making a big mistake.

The editorial says that while friendship subsists between the two people, and Indonesia is grateful for US aid, Indonesia has no desire to share the fate of Saigon or of Lon Nol's Cambodia. If Ford wishes to meet with Indonesian leaders, he should first seek to understand the aspirations of the Indonesian people. The summit meeting envisaged by Ford can only succeed if it is based on regarding Indonesia on equal terms.

The other summit looming is an ASEAN summit to discuss the Indo China problem. However, there is apparently not yet agreement between the ASEAN countries to hold such a summit. Certainly such a meeting would not be useful if the attitudes towards Indo China after its freeing from the US, and the attitude of ASEAN countries concerning the US, are not yet fully formed. An ASEAN summit meeting to deal with Indo China will be useful, once all ASEAN countries are free from the influence of foreign bases and from foreign interference.



There there have been no rumours or news as yet, there is ~~the~~ likelihood of a summit meeting of Indo China countries: Vietnam (North and South), Cambodia and Laos, to be held soon as an extension of their summit meeting of 24 April 1970. Such a meeting would be used ~~as~~ usual to consolidate their joint struggle, ~~which is now~~ <sup>this time</sup> extended to rehabilitation and development efforts. They would also not neglect international developments. As to where such a meeting would be held, among the three countries, we must wait and see.



US 9 its bases in the Pacific

800/152

Mr. Buchanan

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## Merdeka

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### AS dan pangkalan2nya di Pasifik

Sejak Presiden Nixon dalam tahun 1971 mengatakan bahwa kawasan Pasifik berada dibawah payung nuklir Amerika, beberapa kejadian politis-militer telah berjalan di Asia-Tenggara. Pun perubahan pimpinan politik atas negara Amerika telah beralih dari Presiden Nixon kedalam tangan Presiden Ford. Walaupun demikian, tidak bisa disimpulkan bahwa strategi dasar yang meliputi gerak-politik maupun gerak-pencegahan dilihat dari segi militer dari Amerika, akan mengalami perubahan.

Kita persoalkan umpamanya negara Jepang dimana Amerika mempunyai pasukan2 maupun pangkalan2 militer. Disamping itu masih tetap berlaku segi2 pertahanan secara bilateral antara Jepang dan Amerika. Jepang dalam kondisi geografisnya yang amat berdekatan dengan baik RRT maupun Uni Soviet, merupakan landasan empuk bagi gerakan militer taktis yang dapat digerakkan oleh Amerika kejurusan baik RRT maupun Uni Soviet. Artinya ini hanya secara teoretis.

Sama halnya dengan Jepang adalah kedudukan Taiwan bagi Amerika. Akan tetapi, berlawanan dengan Jepang, negara kecil ini yang oleh RRT dianggap propinsinya, dan oleh Amerika secara praktis dianggap sekutunya, merupakan salah satu negara di Pasifik yang memiliki industri nuklir yang bebas. Artinya bahwa kalau di Jepang pembangunan reaktor nuklir untuk listrik saja sudah mampu menggerakkan masyarakat untuk menolaknya dipelbagai tempat di Taiwan, segi2 nuklir maju dengan pesat. Dari hal itu bisa diperkirakan bahwa faktor ini tidak akan luput untuk berpengaruh terhadap kemampuan nuklir dari Taiwan, dengan atau tanpa bantuan Amerika. Secara bilateral, Taiwan mempunyai ikatan dengan Amerika, dibidang pertahanan. Sehingga baik Taiwan maupun Jepang merupakan lanjutan dari kekuatan strategis dari Amerika yang bisa ditujukan pada RRT maupun Uni Soviet.

Perlu diketengahkan bahwa jembatan militer itu dimulai dari Amerika, lewat Hawaii dan Guam kearah Jepang maupun Taiwan. Jalan lain yang menuju ke Filipina, kini berada dalam keadaan goncang, karena perubahan sikap politik yang dianut oleh Presiden Marcos. Akhir2 ini justru persoalan pangkalan militer Nguyen Van Thieu yang mendapat dukungan besar dari Amerika. Sudah jelas bahwa arus untuk tidak menyukai pangkalan2 asing di buminya sendiri, sebetulnya pertama2 telah digerakkan oleh sikap Indonesia dimasa silam, dan masih dianut pula dimasa sekarang. Sebab, dari semua negara Asean ternyata hanya Indonesia yang tidak memiliki pangkalan asing.

Tetapi harus pula dikemukakan bahwa adanya pangkalan asing di Filipina merupakan akibat layak dari kekuasaan Amerika atas Filipina selama puluhan tahun, dan sesudah berakhirnya perang dunia kedua dan Filipina mencapai kemerdekaan penuh, politiknya tetap menganut garis Amerika dalam banyak bidang, termasuk pertahanan. Baru dalam era Marcos berkuasa secara tunggal dalam tahun belakangan ini — disebabkan pengakuan Amerika terhadap RRT dan arus detente antara Amerika dan Uni Soviet — oleh Presiden Marcos itu dituntut perubahan status pangkalan militer Amerika didalam wilayah Filipina. Arus ini

sedang berjalan, tetapi belum mencapai hasil

Kita jangan mempersoalkan bahwa payung nuklir berarti bahwa ini tergantung dari adanya pangkalan2 militer Amerika, samasekali tidak. Senjata2 nuklir dapat dimuntahkan dari wilayah Amerika sendiri ataupun oleh kapal2 silam nuklirnya yang senantiasa meraungi perairan Pasifik, lengkap dengan peluru2 kendali-nuklir dalam keadaan siap-siaga.

Katakanlah, kalau pangkalan2 militer dibanding dengan pion2 dalam permainan catur (termasuk pula negara2 penganut garis Amerika secara seratus persen), maka faktor landasan2 senjata nuklir, baik yang didarat maupun yang bisa berpindah2 karena ditempatkan dalam kapal2 selam, harus dianggap kuda2 atau benteng2 dalam permainan catur yang menarik itu.

Secara militer-strategis, penarikan mundur orang2nya dari Laos, Khmer dan Vietnam, sebetulnya tidak membawa perubahan yang radikal dalam cara berpikir ahli2 siasat di Washington, baik di Pentagon maupun di Dep. Luar Negerinya.

Dibanding dengan medan luas Atlantik didalam mana termasuk daratan Eropah serta Timur Tengah dan Laut Tengah, keadaan strategi-militer dari Amerika atas kawasan Pasifik, termasuk tenang, dan rupa2nya lebih mudah diurus. Hal ini terutama juga disebabkan armada perangnya yang telah mengembangkan kawasan Pasifik, seolah2 tanpa adanya saingan. Walau kadangkala tentunya kapal2 dari armada Amerika berpapasan dengan kapal2 dari armada Soviet yang berpangkalan di Vladivostok. Kondisi politik di Pasifik kait-mengkait dengan kesiapsiagaan kekuatan2 militer Amerika dan dalam pada itu, sudah tentu merupakan prinsip Amerika, bahwa apabila konfrontasi senjata tidak bisa dielakkan, konfrontasi itu dilakukan bukan di wilayah Amerika dan tak boleh pula menyentuh wilayah Amerika. Dalam perang dunia pertama dan perang dunia kedua, wilayah Amerika dibenua Amerika (bukan Hawaii) telah tidak tersentuh oleh peluru2 pihak lawan. Dari segi prinsip itu, bisa diperkirakan bahwa senjata2 nuklir bukannya dikurangi, tetapi diperhebat kualitasnya sehingga dengan daya-guna yang lebih hebat, wilayah pihak lawan lebih banyak dapat dijangkau oleh senjata2 dahsyat itu. Disamping itu pun sudah bersiap2 senjata peluru kendali yang dimaksud menghancurkan peluru2 kendali.

Dengan ditutupnya babak terakhir dari Vietnam-Khmer dan Laos, apapun perubahan yang akan berjalan ataupun dilakukan dibidang politik Amerika terhadap negara2 Asia di

Pasifik, akan memenuhi persyaratan a-la-kadarnya terhadap penyesuaian politik pada kenyataan yang ada. Dibidang militernya, strategisnya tidak berubah didalam mana Amerika lebih unggul dari kedua superpower lainnya, yaitu Uni Soviet dan RRT, khususnya di kawasan Pasifik. Dalam memelihara keseimbangan politik, bisa diperkirakan bahwa Amerika tidak akan mempertahankan kelangsungan adanya pangkalan2 militernya, umpamanya di Filipina. Apabila keadaan atau kondisi politik berubah di negara itu, mungkin akan diambil sikap lain.



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its Pacific Bases

While there have been changes since Nixon said in 1971 that Pacific area was under US nuclear umbrella, it cannot be assumed that basic strategic interests, as seen by the US military, will have changed.

Discusses the bases, and US ties with Taiwan and Japan (both of which have potential nuclear capabilities), and bridge to them through Hawaii and Guam. Philippines less important now.

Of all the ASEAN countries, only Indonesia does not have foreign bases. But Philippine bases stem from historical position of US which formerly governed there, and Marcos is now moving towards changes in ~~status~~ status of US bases there. The US nuclear umbrella does not require the presence of bases: nuclear weapons can be launched from US itself or from nuclear submarines in Pacific waters. Bases can be regarded as mere pawns, and nuclear submarines as knights or rooks.

Militarily/strategically speaking, the US withdrawal from Indochina does not lead to any radical ~~thinking~~ change in thinking of US experts, whether in the Pentagon or the State Department. Compared with Europe, the Mediterranean or the Middle East, the Pacific area can be regarded by the US as quieter and more easily controlled. This thinking also arises from the powerful US fleet in the Pacific.

Indochina has led to no change in the situation where the US is stronger than the other two superpowers, China and USSR, especially in the Pacific area. In developing the present balance, it can be assumed that the US will not maintain its military bases, for example in Thailand, but if the political situation were to change in that country, possibly a different attitude would be taken.



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DEPARTMENT OF FOREIGN AFFAIRS

## INWARD SAVINGRAM

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### EXTERNAL

#### Relations with the United States (800/152)

11. On 28 May the Assistant Secretary of State, Mr Habib, said at the end of his 2 day visit to Indonesia that the United States would continue to play a responsible role in Asia and would honour its commitments to the region. Habib added that the presence of United States bases in South East Asia should not be linked to ASEAN's relations with the Indo China states.

12. The Foreign Minister, Mr Malik, said after meeting Habib that President Soeharto would probably meet President Ford in the United States after his planned visit to Canada in July.

13. Habib met virtually all the senior Indonesian policy makers from the President down. He assured them that the United States would maintain its interest in the region, would continue deployment of the Seventh Fleet and was prepared to maintain its bases if possible.

14. Habib was told that Indonesia wanted to maintain efforts to strengthen ASEAN notwithstanding its serious doubts about the future of Thailand and believed that United States bases should be phased out of ASEAN countries although it wanted a continued United States military presence in the region, possibly based in Guam. Indonesia would try to develop cooperative relations with North VietNam but would be watchful and would continue to be concerned about future North Vietnamese policies, especially in the context of the domestic situation. Overall Habib seemed to have gained the impression that Indonesia wanted a quiet and continuing United States presence in the region which would help strengthen the ASEAN countries but would not cause them embarrassment in their attempts to come to terms with the Governments of Indo China.

15. The Indonesians seemed satisfied with the visit, even if they were not much wiser about future United State's policy. Their doubts stem from their uncertainty about the likely attitudes of the Congress.

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DEPARTMENT OF FOREIGN AFFAIRS

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C O N F I D E N T I A L

INDONESIA AND CHINA.

WE WOULD FIND IT DIFFICULT TO ACCEPT THAT MESSAGE TO  
PKI WAS DESIGNED 'TO NUDGE INDONESIA INTO REACTIVATING RELATIONS  
WITH PEKING.' IN ANY CASE IT HAS UNFORTUNATELY HAD THE OPPOSITE  
EFFECT.

2. TEJ BUNNAG'S VIEW THAT THE MESSAGE MIGHT HAVE BEEN DIRECTED  
AT THE UNITED STATES IS ALSO CURIOUS. WE HAVE NO EVIDENCE FROM HERE  
THAT THE AMERICANS PRESUME THAT INDONESIA WOULD BE THE UNITED  
STATES DEFENCE LINE IN ASIA ALTHOUGH THERE HAS BEEN SPECULATION IN  
SOME INDONESIAN CIRCLES (CSIS FOR INSTANCE) THAT THE US'S WESTERN  
DEFENCE LINE COULD BE JAPAN - PHILIPPINES - INDONESIA - AUSTRALIA  
AND NEW ZEALAND.

3. WHILE INDONESIA WANTS TO MAINTAIN CLOSE TIES WITH THE  
UNITED STATES THERE IS NO SUGGESTION THAT IT WOULD BE PREPARED  
TO ENTER INTO A FORMAL DEFENCE ALLIANCE WITH THE UNITED STATES.  
VIEW EXPRESSED HERE TO HABIB AND RECENT EMPHASIS ON THE BANDUNG SPIRIT  
AND INDONESIA'S NON-ALIGNMENT (EVIDENT FOR EXAMPLE DURING THE VISIT  
OF THE INDIAN PRESIDENT) SUGGESTS THAT INDONESIA WISHES TO  
AVOID TOO CLOSE OR OBVIOUS AN ASSOCIATION WITH EITHER OF THE SUPER  
POWERS.

PRIME MINISTER  
FOREIGN MINISTER  
FOREIGN AFFAIRS  
PM AND C

*M. A. Far*



Wednesday, May 28, 1975

TABLOID OF EVENTS

3034/11/161

Coordinator : Clyde M. Benford  
 Editor : M. Murdin  
 Translation Staff : M. Murdin  
 A. Dahlan Siregar  
 Hanna Rambe  
 Staff Assistant : H. Basri

\*\*\*\*\*  
 The following articles are unofficial  
 extracts and not full translations of  
 the original.  
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Editorial:

SUMARIO-FORD MEETING  
 (SUARA KARYA, May 28, 1975 - IN)

Now it is certain that the meeting between President Suharto and President Gerald Ford will be held before July 8 in the United States.

Foreign Minister Adam Malik who gave information on the meeting last Monday did not say what the two Presidents would discuss. It can be assumed, however, that international developments and particularly the post-Indochina developments in Asia and the Pacific would be the major topic of discussion.

After the developments in Indochina there is frankly a need for clarity about the U.S. attitude to this part of the world, particularly to the countries whose cooperation has from the outset involved matters of security. From this aspect there is essentially no problem for Indonesia, because thus far we have relied on the principle of relying on our strength in maintaining our security and developing our national resilience.

Since security and national resilience affect all the aspects of our life as a people and a state, the cultivation of our resilience has from the very beginning been undertaken by stages by taking into account the various factors which influence the domestic situation as well as international developments, including the U.S. attitude to this part of the world.

In this respect it should be remembered that though the international situation is one of the factors which are taken into account in the cultivation of national resilience as is reflected in Pelita I and Pelita II, and future Pelitas, it is not dependence which cannot be detached without creating significant losses. For Indonesia such an attitude is a principle that was given birth to by the conviction that international cooperation which is essentially mutual dependence may not cause the cooperating nations to be pushed into a position which makes it difficult for them to develop themselves in accordance with their short term and long term national interests. The operational form of this principle is that every cooperating party must be able to derive the greatest possible benefit from this cooperation according to its national interests.

It all



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It all modesty it should probably be admitted that the principle to which Indonesia has adhered from the beginning has more or less found its justification in various international developments, including the most recent developments in Indochina.

Conforming with objective international developments as well as internal developments the U.S. has of course framed a new post-Indochina policy toward Asia-the Pacific and toward Southeast Asia in particular. Regardless of the form of this policy, failure to consider the principle of international cooperation referred to above and which to some degree has been borne out by the U.S. own historical experiences, we are afraid that there will still be chances for the U.S. to labor in vain in the future which will harm both the U.S. and its cooperating partner.

It is in this context that the Suharto-Ford meeting has a very important meaning so that the two parties can directly exchange views and information and express each other's standpoint in accordance with the objective position of each of them regarding future international developments, particularly in Southeast Asia.



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EXTERNAL

United States (File 800/52)

8. The United States Assistant Secretary of State, Mr Philip Habib, arrived in Indonesia on 25 May for a two-day visit. Mr Habib had discussions with leading Indonesian officials including the President, the Foreign Minister and the Deputy Commander of the Armed Forces, General Surono.

9. On 28 May Habib said that the United States would continue to play a responsible role in Asia and would honour its commitments to the region. He added that ASEAN's relations with the States of Indo China should not be linked to the existence of United States bases in South East Asia.

10. On 26 May, the Foreign Minister, Mr Malik, said that it was almost certain that President Soeharto would meet President Ford somewhere in the United States following his visit to Canada in July.



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Jkt Political Report

JA 9576

16 May 75

#### Relations with the United States

11. The American Ambassador to Indonesia, Mr D.D. Newsom, in an address on 14 May, said that a major reassessment of the United States' place in the world was currently taking place. He said that the United States remained strong and that the American people, while they may have balked at further help to Vietnam, were not turning their backs on the world. The majority of Americans still felt that the United States should play a constructive international role, he said.

12. The experience of Vietnam would have a profound effect for some time to come on American attitudes and policies and the American people would be inclined to examine any potential involvement very carefully to ensure that there was not a repeat of the kind of problems created by the intervention in Indo China, Newsom said.

13. On 16 May the Foreign Minister, Malik, deplored the recent American action to recover the "MAYAGUEZ" from Cambodian hands. He said the military move had created a negative impression of the United States on the part of Asian countries. This was because America had taken no action when her help was needed by millions of Cambodians and Vietnamese, while the "MAYAGUEZ" had only involved the fate of 39 crew members.

14. Privately, however, Indonesian officials have said that they were pleased that the United States had taken decisive action. They saw the incident as a pointer to the future credibility of United States policy in Asia. Needless to say the United States Embassy here was not pleased by Malik's statement.



Friday, May 30, 1975

TABLOID OF EVENTS

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the original.  
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Editorial:

PHILIP HABIB'S OPINION  
(KOMPAS, May 30, 1975 - MN)

For the first time after the major change in Vietnam and Cambodia, a senior official of the U.S. State Department is visiting the Southeast Asian countries and Australia. He is Philip Habib, Assistant Secretary of State for Asia and the Far East.

Before leaving Jakarta for Singapore the day before yesterday he expressed his opinion that the non-Communist Asian countries continue to expect the U.S. to play a role as a power in Asia-Pacific, because the U.S. role is not threatening, colonialist and aggressive.

It should be noted that Philip Habib expressed his opinion after visiting Australia and Indonesia, but before he went to Singapore, Malaysia, Thailand, Laos and the Philippines which he is scheduled to visit.

If Philip Habib made his statement after visiting those countries one could safely conclude that his remarks also reflected the views of the countries concerned.

At the eighth conference of the Asean Foreign Ministers in Kuala Lumpur in mid-May, Singapore said frankly that the great powers will maintain their presence in Southeast Asia, regardless of whether this is wanted or not wanted by the countries in the region. So we should just take advantage of their presence in our own interest. We should be clever at "maneuvering" them. This was Singapore's conclusion, expressed by Foreign Minister Rajaratnam.

Regarding this opinion, none of the other Asean Foreign Ministers expressed his reaction explicitly and publicly at the conference. But it is clear that none of the Asean countries wants to be the "battle arena" of the great powers.

They are also worried that the dominance of any of the great powers in their region will provoke a "disturbance" by another great power. It is this which underlies the present attitude of Thailand and the Philippines to the U.S. based in their territories.

It would



It would be ideal for the Southeast Asian countries if all the "superpowers" positively support their development, without intervening and competing among themselves. In "compensation" the Southeast Asian countries will recognize their legitimate interests, as is proper in the relations among nations. This opinion was expressed by Foreign Minister Adam Malik at the opening of the eighth Asean ministerial meeting. He said at that time: As of now the superpowers should no longer consider it necessary to mount military interventions or to compete with one another to seek dominance or to hinder one another. If in the present new development they anyhow wish to make policy adjustments, their policy should lead to a more harmonious involvement which is totally different in character than their past involvements. That is, they all provide economic support for the sake of realizing the stability and regional resilience of Southeast Asia as a whole.

The difficulty is that China, for instance, still seeks to keep up its own line even though with the glibness of tongue that the Chinese Government differs from the Chinese Communist Party. The policies of these institutions must be distinguished. The truth, however, is that we all know that the Communist Party plays a decisive role in framing government policies.

The old policy line we mean is the attempt to stir the Communist struggle in other countries to seize power as was mentioned in this column on May 28: The Central Committee of the Chinese Communist Party reaffirms its support for the attempts of the PKI to topple the Indonesian Government through an armed struggle. This support was expressed on the 55th anniversary of the PKI, May 23, 1975 to "the delegation of the PKI leaders who are now in the capital of the People's Republic of China." (SOUTH CHINA MORNING POST, May 24, 1975, page 4).

This support will surely not be confined to words. This action or move by China will automatically provoke the rival great powers to make a proportionate move. That's why the Southeast Asian countries must be clever at "maneuvering" so as not to be made the battle arena of the superpowers and must, on the contrary, be able to benefit from this situation in their own interest.

But to be able to "act nimbly" each of the Southeast Asian countries must have a clear policy and must not be split internally. And it would be ideal if the Southeast Asian countries as a unit share the same vision.

\* \* \*

Editorial:

PHILIP HABIB'S VISIT  
(SINAR HARIAN, May 29, 1975 - HR)

Besides causing restlessness among the Southeast Asian leaders after the fall of Phnom Penh and Saigon, there was another question at that time: what is the U.S. foreign policy in the future in that part of the world? Will it continue to withdraw or will it keep on helping these countries?

The recent visit of the U.S. Assistant Secretary of State for Southeast Asia, Philip Habib to Jakarta is in fact the answer to that question and gives an indication of the U.S. foreign policy line in the post-Indochina era.

Although Dr. Habib explained that his mission was routine and he only wanted to know and study the Southeast Asian leaders' views, nevertheless at a press conference Wednesday afternoon before he left for Singapore he disclosed the U.S. attitude. We can summarize it into five main

points,



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points, namely: 1) the U.S. will not withdraw from Southeast Asia, 2) the U.S. will defend its interests and its commitments to its allies, 3) the U.S. will continue cooperating with the non-Communist countries, 4) the U.S. will continue playing a "more responsible role" in Southeast Asia and 5) the problem of U.S. military bases in Southeast Asia should not be linked with the plan to normalize the relations between the ASEAN countries and the Indochinese countries.

Those points are closely related to the ASEAN interests to function as a regional cooperation organization in Southeast Asia, and as the main determining factor to cultivate and defend the region's security and stability.

Also in materializing the idea of "a peaceful, free and neutral Southeast Asia" on which the recent ASEAN ministers conference in Kuala Lumpur failed to reach a consensus the U.S. attitude as Dr. Habib revealed needs our attention and consideration. What Dr. Habib said at least indicated the U.S. view and attitude to the ideal which still remains an ideal.

The U.S. view is also a guidance for the Southeast Asian leaders to determine their foreign policies either separately or collectively in the ASEAN organization in promoting peace and stability in the region.

Habib did not elaborate on his statement that the U.S. will play a "more responsible" role in Southeast Asia in the future. Neither do we know what meaning "more responsible" covers. However, the words contain a sufficiently wide notion of the difference in the role the U.S. played in Indochina in the past and the role it is going to play in the future.

The U.S. view of Southeast Asia in the present situation obviously distinguishes the non-Communist countries and the pro-Communist countries (Indochina).

It appears that the aid to and the cooperation with the non-Communist countries will not change much, and will even be continued.

Concerning aid to the pro-Communist countries (Indochina), the U.S. appears to leave a very reluctant attitude. Although in one chapter of the Paris Accords of 1973 it was written that the U.S. will help the war victims and the reconstruction of North Vietnam, yet it is difficult to expect the U.S. to help now.

The reason given by Habib was very simple, "because North Vietnam itself has violated the Accords."

In this relation, therefore, the ASEAN countries can play a more active role to participate in the reconstruction of the Indochinese countries ruined by the continuous war.

The guarding of security and stability is mainly determined by the socio-economic factors and by the development in the countries concerned.

It is a mistake to expect a secure and stable Southeast Asia, if the Southeast Asian countries do not participate in increasing the socio-economic conditions and the development of the war-torn Indochinese countries.

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Bung Hatta:

CREATION OF SOCIAL JUSTICE IN INDONESIA IS VERY IMPORTANT  
(KOMPAS, May 30, 1975 - MN)

Bung Hatta, the former R.I. Vice President, said that the stability of the Indonesian economy and protection of the people's interests ought to be the guidance of our economic policy. Problems which can be solved by a program of social justice gain in importance with the new developments in Indochina.

Speaking of the Indochina situation and Vietnam in particular, Bung Hatta told the members of the "Krisna Business Club" yesterday Thursday that the problem of social justice was evidently disregarded in Vietnam. As a result there was a glaring difference between the rich and the poor. This weakened that country's resilience in dealing with the war crisis it underwent.

For Indonesia the creation of social justice to eliminate the glaring contrast between the rich and the poor is very important. For with improved living conditions of the people supported by economic stability, national resilience for the development of the nation can be built.

Hatta said that Indonesia should carry on the present development effort by preserving economic stability. It should not happen that in the development process the government raises salaries and wages attended by the increase in the prices of goods. If this happens, many observers hold that the government had better not increase salaries.

In this regard, Bung Hatta said it is a wrong move to tie our economy to the strength of the U.S. dollar. Experience a couple of years ago showed that the pegging of the parity of the rupiah against the dollar created a domestic economic upheaval when the dollar decreased in value. Japan and West Germany, he said, are countries which have been developing themselves without being bound by the dollar. So they will not join in being shaken when the U.S. dollar weakens on the international market.

Minimum wages

Regarding social justice for the people, Bung Hatta said that the government should properly guard permissible minimum wages in society. The minimum wages which he enforced at the time he led the government were equal to the market price of five kilos of rice. By seeing to it that the minimum wages are applied the interest of the people in a life with social justice will be protected.

Earlier Bung Hatta in his lecture titled, "A glance at Indonesia's position in the world crisis" explained the causes of the international economic crisis. The crisis which is not yet over is also influenced by the world political situation, he said.

Krisna Business Club

The Krisna Business Club (KBC) is an organization of Indonesian businessmen established in Jakarta in 1971. The organization engages in exchanges of views and information among its members and invites guest speakers.

Krisna, the wayang figure which symbolizes the peace-loving knight is used as a symbol of this group. Krisna which is also used in the name of the Krishnadwipayana University indicates the origin of the club. At this time the KBC is chaired by Drs. Prasodjo of Bank Bumi Daya and its members are no longer confined to the graduates of the university.

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BOROBUDUR OFFICES. JL. LAPANGAN BANTENG SELATAN. PHONE: 56021-5

DAILY PRESS SUMMARY  
Thursday, May 29, 1975

- 3034/11/161
1. The United States will continue to play the role of a power in Asia and the Pacific in accordance with the wishes of leaders of the non-communist countries in this region. This was stated by the US Assistant Secretary of State, Philip Habib, before he left Jakarta for Singapore Wednesday. Philip Habib also guaranteed that the US foreign policy in this region will undergo no changes. Speaking about military bases in Thailand and the Philippines, Habib said that his government is willing to reconsider its military bases in the two countries through negotiation table. Concerning ASEAN relations with Indochina, Habib said that they do not disturb the relations with the USA. (Kompas, Suara Karya and other papers)
  - 3034/41
  2. Mining Minister Prof. Sadli Wednesday reported to President Soeharto results of the session of the International Tin Council in Geneva recently. Following the meeting, Prof. Sadli only told the press that we did not need to give much comment on the temporary dismissal of R.T. Adnan as Duffer Stock Manager of ITC, because we did not know yet the background of the matter. Asked when the Pertamina financial problem will be clarified to the House of Representatives, Sadli said: "just wait". (Kompas, The Indonesia Times, and other papers)
  3. Prof. Dr. A. Teeuw, a professor in the Indonesian and Malay Language and Letters of the Leiden University in the Netherlands, will be presented an honorary degree of doctor by the University of Indonesia in Jakarta in July this year. (Kompas, Pelita)
  4. Communications Minister Emil Salim is of the opinion that the Cassa-212 aircraft and BO-105 helicopter are the most suitable types for Indonesia's flight. Therefore, for preliminary steps towards national aircraft industry, the government has chosen the two types of aircraft to produced in Indonesia. (Kompas and other papers)
  5. Prof. Dr. Sumitro stated that he had no connections with activities by D.W. Pinder, former President Director of Sime Darby, while Mochtar Lubis denied knowledge of the statement by D.W. Pinder in front of the Singapore court on May 14 as quoted by the daily "Straits Times" on its May 15 issue. D.W. Pinder, who was being tried by a court in Singapore on charges of manipulating the company's money totalling around S\$3 million, told the court that part of the money was used to win the Caterpillar agency in Indonesia for which he had to submit a diamond worth £5000 plus a US\$10,000 cash to a certain person. (Kompas)
  6. Three hundred and eighty-three tons of rice belonging to the Logistics Depot (Dolog) in Tasikmalaya (West Java) have disappeared recently. The two persons who are suspected of masterminding i.e. director and manager of a certain go-down in that area, have also disappeared. (Kompas)
  7. Former Captain Suciptadi (20 years) of Tasikmalaya (West Java) was sentenced to 20 years imprisonment by the Priangan Military Court in Bogor after being found guilty of involvement in a subversive movement by the banned PKI. Suciptadi was an intelligence officer of a certain government institution in Tasikmalaya. (Kompas, Angkatan Bersenjata)
  8. Although Indonesia in 1973 recorded a bigger GNP than those of Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand, its per capita income in the same year was smaller. In its 1974 annual report, Private Investment Com- ....



3034/2/9/ (1965 IKI/G305 Detainees (File 801/11/1)

4. A spokesman for the Diponegoro Military District (Yogyakarta) said last week that communist detainees who have been released are being successfully absorbed into private enterprises. He acknowledged that local government and security authorities were maintaining surveillance over such former detainees.

Religion (File 804/3/1)

5. President Soeharto has authorized the setting up of an inter-departmental group to arrange for the rehabilitation of madrasahs (religious schools). Financial aid would be arranged, primarily for state-run madrasahs of which there are 582 throughout Indonesia, although some funds would be available for those of the 34,771 privately-run madrasahs which could demonstrate special need. Funds are also to be made available for the restoration of historic mosques.

Civil Servants (File 801/6/3)

6. It was announced on 27 May that as at the end of March this year Indonesia had a total of 1,721,637 civil servants.

Health (File 804/12/1)

7. There have been a number of cases of cholera among children recently in Yogyakarta, Central Java, and three children have died. An anti-cholera campaign has been initiated.

EXTERNAL

United States (File 800/152)

3034/11/161 8. The United States Assistant Secretary of State, Mr Philip Habib, arrived in Indonesia on 25 May for a two-day visit. Mr Habib had discussions with leading Indonesian officials including the President, the Foreign Minister and the Deputy Commander of the Armed Forces, General Surono.

9. On 28 May Habib said that the United States would continue to play a responsible role in Asia and would honour its commitments to the region. He added that ASEAN's relations with the States of Indo China should not be linked to the existence of United States bases in South East Asia.

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## INWARD SAVINGRAM

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their contacts with consumer countries with the aim of achieving long-term stability in commodity prices.

United States (File 800/152)

3034/11/161  
24. On 16 May the Foreign Minister, Mr Malik, deplored the United States action to recover the "Mayaguez". Malik said the military move had created a negative impression of the United States on the part of Asian countries. This was because the United States had taken no action when its help was most needed by millions of Cambodians and South Vietnamese while the "Mayaguez" incident had only involved the rescue of 39 people.

Relations with the Middle East (File 800/99)

3034/11/20  
25. Jamal Al Surani, Head of the Cairo office of the PLO, arrived in Jakarta on 22 May as an envoy of the Arab League. The visit is part of a tour of several Asian countries, including Australia.

3034/11/37  
26. It has been reported that a Libyan delegation will visit Jakarta in June to discuss details of the setting up of a Libyan representation office in Indonesia.

Relations with Austria (File 800/1/2)

27. A 20-man delegation of Austrian forestry, banking experts and industrialists, visited Indonesia during the week to explore possibilities for closer cooperation in the forestry and lumber industry between the two countries.

ECONOMIC

Foreign Investment (File 803/2/5)

3034/4/1  
28. The Transport Minister, Emil Salim, when receiving a United States trade mission on 17 May, said that foreign businessmen who invest capital in Indonesia must not take an arrogant attitude.

29. The Chairman of the Indigenous Businessmens' Association, Mohammad Jasin, told a meeting of Commission VII (Trade and Finances) of Parliament, on 19 May, that the operations of non-indigenous entrepreneurs were aimed at plundering Indonesia's wealth for transfer abroad. He said that the main problem for indigenous businessmen was not lack of skills but rather their "mental attitude".



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 AUSTRALIAN EMBASSY  
JAKARTA

 In reply quote No. 801/11/3  
Memorandum No. 622

2 May 1975

 The Secretary  
Department of Foreign Affairs  
CANBERRA

RECORD OF CONVERSATION WITH LIM BIAN KIE

Please refer to paragraph 14 of the attached record of conversation with Lim Bian Kie of the Centre for Strategic and International Studies. (A copy is also attached for JIO)

2. At this stage we are a little sceptical of Lim's explanation of Mochtar Lubis' release mainly because if it were wholly true it would seem that other detainees should have been released on the same grounds. We have heard from other sources that the release of Lubis resulted simply from a change of heart on the part of the President and the Attorney General. However, what he says in paragraph 15 is of some interest. There is indeed a feeling that the government is girding up its loins to tackle what it sees as a difficult period ahead, both externally and domestically. Externally, there have been the unsettling events in Indo China, while internally the Government may anticipate difficulties arising from preparation for the general elections in 1976, continuing economic problems, and even religious unrest. The Government may well wish to finish with malari in order to face more important problems. In addition, the policy of releasing detainees, including Lubis, against whom there is insufficient 'hard' evidence might also be seen as a conciliatory gesture towards sections of the Indonesian elite (including the press) on whose support the government would normally expect to be able to count in case of fundamental problems of internal and external security.

 3034/11/161  
 (J. Blount)  
 Second Secretary

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AUSTRALIAN EMBASSY, DJAKARTA

Rec. of Conversation with Lim Bian Kie (CSIS)

on 23 April 1975

Officers Present A.R. Taylor

MAIN SUBJECT(S):

Indonesian Relations with United States; Indonesian Relations with USSR; Internal Situation; Political Detainees; Portuguese Timor; Events in Indo China

Relations with United States

Lim Bian Kie gave me a copy of a paper prepared by the Centre on US future role in the region. He thought the US would turn away from the Guam doctrine with its emphasis on the performance of individual countries, towards a policy emphasising more the importance of regions for US national interests. He did not think that there were vital US interests in Indonesia. Indonesia's significance for the US lay in its geographic position on major trade routes, its being an important source of raw materials etc. for Japan and its central role in the security of Australia.

2. I commented that for Indonesia, the relationship with the United States was much more important. He agreed. At present Indonesia relied much more heavily on the United States than on the other great powers. The US had a lot to offer Indonesia - trade, technology, aid, arms. It was, however, important that a balance be achieved between the great powers in the South East Asian region. But at this stage it was impossible to determine what the United States was prepared to do here. Recently the Centre had held a seminar with the Political Section of the US Embassy to discuss this subject. Unfortunately the Embassy did not seem to know much about the proposed future US policies.

3. Lim Bian Kie commented that the US would not be able to become involved on the Asian mainland in the foreseeable future. Given the mood of the Congress it was virtually impossible to determine what US support for countries like Indonesia would be. The US had no treaty commitment to Indonesia; the US treaty commitment to other countries in the region was subject to constitutional procedures in any case.

Relations with the USSR

4. In answer to a question, Lim Bian Kie said that it was far from certain that Indonesia would want the USSR to become heavily involved again in Indonesia. There was still a great deal of resentment against the communists, and

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Report prepared by A.R. Taylor

ACTION:

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the memory of 1965 was very strong. He agreed that Mr Malik's visits to Eastern Europe were a step in the direction of introducing more of a great power balance into the region, but noted that Mr Malik had agreed only to economic development assistance and not to technical assistance, cultural agreements or the like.

5. I asked whether if the United States was not prepared to provide arms and military equipment to Indonesia Indonesia would be prepared to obtain it from the USSR. Lim Bian Kie said that at present there would be strong resistance to such a policy. There was a large psychological barrier, particularly in the army, towards close involvement with the USSR. But he said, if the Indonesians could not get the necessary arms and equipment from elsewhere, it would have to turn to the USSR.

6. Lim Bian Kie said that the USSR Embassy in Jakarta had become more active recently. Last week the USSR Ambassador had attended a background discussion at the Centre, mainly about the Soviet proposal for a collective security system. Lim Bian Kie said that the Ambassador had become quite annoyed at some of the antagonistic questions that he had been asked. Lim Bian Kie said that there was little support at the discussion for the Soviet proposal, the idea which was based on the collective security system developed for Europe. The South East Asian region was too unstable at present for such a system to work.

#### Events in Indo China

7. Lim Bian Kie expressed great concern for the future of Thailand and Malaysia. He argued that Hanoi was anxious to develop a position in the third world and to reap the rewards of its long struggle in Indo China. It would also wish to build up strong support in the region to limit China's influence there. It would, therefore, most likely provide propaganda support and possibly arms for subversive activities in both Thailand and Malaysia. He agreed that Indonesia would not be immediately threatened by such a policy, but through its relations with Thailand and Malaysia it would be involved. I said that it appeared to us that as the situation in Indo China settled down, the new governments there would be faced with a long period of reconstruction and as far as we could see they would be motivated as much by nationalism as by communism. Thus we thought it doubtful that Hanoi would meddle in Thailand or other countries in the region which had more firmly based and popular governments than the old Indo China states. Lim Bian Kie mentioned that the North Vietnamese had already trained insurgents for Thailand and he reiterated his view that this interference would increase.

#### Internal Situation

8. I said that I had been re-reading papers about events in Jakarta in January 1974 and asked whether the split which seemed to exist in the army at that time had been healed. Lim

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Bian Kie said that the split had not been in the army, so much as in the top leadership. He claimed that the army had not taken decisive action during the Jakarta riots because they did not receive an order to do so. The reason for the lack of an order was the struggle at the top between General Soemitro and General Ali. In an attempt to improve his position General Soemitro had not given an early order. When he was forced to give the order, however, the army had acted without hesitation. Lim Bian Kie said that the leadership was now much more unified than towards the end of 1973. Now the President was not getting conflicting advice from his top advisers. Matters for his decision were coming to him with one recommendation, and perhaps several alternatives. He was also taking a much closer interest in the process of decision-making. Lim Bian Kie claimed also that the army was solidly behind the leadership.

9. The importance of the events in Indo China for Indonesia lay in Indonesia's response. If efforts were not made to build up an alternative political system to communism, Indonesia may be subjected to subversion. A sense of urgency about developing this system was required. The people must participate. Money was also necessary.

10. I asked Lim Bian Kie whether it would be possible to build up an alternative system if the people were not given an opportunity to take part in the political process. I said this question was based mainly on my understanding that the political parties and functional groups bill would stipulate that political activity should not go below Kabupaten level. Lim Bian Kie said that this restriction was not intended to mean that there should be no political activity in the villages. On the contrary, it was absolutely essential that political ideas and activity exist in the villages. Representatives of political parties and functional groups would be able to work at the village level and, of course, as the elections drew nearer, there would be political speeches and so on. The bill was aimed at preventing political organisation at village level. Memories of the blood bath which followed the 1965 coup attempt were at the base of this restriction. Without political organisations, it was felt that political violence should be reduced.

#### Portuguese Timor

11. Lim Bian Kie asked how I found Mr Horta. I said that Mr Horta seemed to have changed his attitude somewhat since I last spoke to him in early March. While still supporting independence, he did not seem as confident of success. He had indicated that the more cooperative approach adopted by Indonesia would increase APODETI support. Lim Bian Kie said he had found Mr Horta an impressive person. He said Mr Horta had told him that he favoured integration with Indonesia, although not for some time. He seemed to envisage, Lim Bian Kie said, a period of several years independence while pro-Indonesian sentiment in Portuguese Timor developed. There would then be a chance for an independent Portuguese Timor to seek integration with Indonesia.

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12. I said that my impression, based on discussions with Mr Horta and Mr Lopes da Cruz, was that the original program of the coalition had been dropped but that significant elements of it remained, for instance the demand for the immediate recognition of de jure independence. Mr Horta talked of elections for a constituent assembly in 1976 and referred to them as elections "for independence". Would Indonesia accept any move like that which might be interpreted as committing the territory to independence. Lim Bian Kie said it would not.

13. Lim Bian Kie asked me how Mr Rodgers' visit to Atambua had gone. I said that it had proved a very useful visit. Mr Rodgers had had a chance to talk to some of the refugees and see them in their camps. Lim Bian Kie noted that they were being trained in agricultural work. I said that Mr Rodgers had seen this. Lim Bian Kie said that they would be returned to Portuguese Timor to carry out their agricultural work. I mentioned that Mr Jusack had invited an Embassy officer to visit Indonesian Timor again when the road building project started. Lim Bian Kie thought such a visit would be useful, as it would allow us to keep in touch with developments there.

#### Political Detainees

14. I asked Lim Bian Kie whether his comment before the President's visit to Australia, that the President might wish to inform the Prime Minister of possible releases, referred to Mochtar Lubis. He said it did. In answer to questions, Lim Bian Kie explained that KOPKAMTIB had drawn up a case against Mochtar Lubis based on their interrogations last year. The Attorney-General's Department wanted to check the details of this case. As it could only do so by constant questioning of Mochtar Lubis he was detained. Attorney-General's had found that the case could not be sustained.

15. Lim Bian Kie said that it was the intention to finish with the malari detainees by the end of this year. The Government wanted to get malari out of the way as there were more important problems to face. I asked whether the idea of trying the so-called "big fish" had been dropped. He said that it had not. The "big fish" would be tried if sufficient evidence against them could be collected. I asked whether this meant that there may be further arrests, or were all the "big fish" now detained? He said that they were all now detained. He said that detainees against whom there was proof of "physical involvement" in the malari affair would be tried. The remainder would be released.

16. The situation of the Gestapu detainees was different. Some had been released, particularly the intellectuals and cultural people such as Siti Sitamuran, the poet. Reclassification of categories of detainees was also taking place, but events in Indo China and the forthcoming elections in Indonesia made it more difficult to release Gestapu detainees on any large scale.

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Q: You are one of those who don't believe in the domino theory. Many others think the truth of the theory is proved by Vietnam's and Cambodia's fall.

A: The U.S. presence in Vietnam was indeed based on that theory. But the fall of Vietnam, and even of the whole of Indochina -- which formerly was one indeed -- doesn't yet prove that the theory is right. Moreover, there're other factors which cause us not to fall automatically after Vietnam's fall.

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Editorial:

UNITED STATES CAPITAL IN INDONESIA  
(PERDEKA, May 16, 1975 -- MN)

The U.S. Department of Trade announced recently that some US \$20 billion in American capital covering both private and government projects has moved into Indonesia. The announcement also said that this flow of American capital represents an increase from 15% to 25% a year. Most of the capital is directed to the sector of agriculture and this capital may climb from 4% to 5% a year.

It is true that according to the value of foreign capital sunk into this country the United States assumes the top position. Japan is second.

We are quite interested in the announcement of the U.S. Department of Trade not just because such a big amount of American capital has been entering Indonesia, but also with respect to our national economy and the pattern of economic relations between Indonesia and the United States. Of course, the Indonesian people are grateful for such a big amount of American capital entering their homeland. Yet, we also realize fully that both the American people and the Indonesian people expect the capital to generate the greatest possible benefit for the two parties. In this regard we must all be alert and dare see the realities whether the American capital is truly used in accordance with the development aspirations of the Indonesian people and in accordance with the desire of the American people who wish to provide assistance in order that the assisted party will truly be able to bring up his own strength so that within a short time he no longer needs such aid.

As a developing nation we are not just aware but has felt for a long time that there are one-side economic relations with the industrial countries, including the United States. The realities are under our very noses. There are mining, including oil, projects worth hundreds of millions of dollars with American capital. If we notice only the value of the dollars spent by the American companies, the situation appears to be sensational indeed and Indonesia is helped. But if we view the matter from the aspect of our national economic policy, the invested capital actually just stops over to leave again in the shape of exploited Indonesian natural resources whose value is many times the value of the invested capital. Just imagine that the production of the American oil companies is the biggest among foreign contractors (80% of the total national oil production). Added to this is the fact that under an agreement, Caltex still gets a major portion under the work contract. So also in other fields American capital increases yearly because our economy is increasingly dependent on the United States by virtue of the capitalizing pattern.

To illustrate, we can say that in investment in the industrial sector, for example, American capital has created industries which require intermediate goods from the United States or the countries

Where American



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where American capital is dominant. In this way, these industries require greater capital flows from the United States yearly. This does not include American capital which enters Indonesia in the context of the marketing of American-manufactured goods. This can be seen in the TV advertisements which confuse the Indonesian people what and which products to buy.

In essence, the United States directs quite a big amount of capital to Indonesia but it derives much more out of it and simultaneously makes the Indonesian people perpetually dependent on the American economy. You know, capitalism essentially seeks to get only profit.

In this case, we cannot just blame the United States whose economy is liberal capitalistic indeed. The problem rests with us. The problem is how to benefit from the American capital so that there will be national economic strength which can change the one-side economic relations to balanced economic relations. What is clear is that we have the power to do so, for we must inevitably stand on our own feet in national development.

\* \* \*

Minister Sadli:

THE GOVERNMENT TO REVIEW PERTAMINA'S NON-OIL  
ACTIVITIES  
(SINAR HARAPAN, May 15, 1975)

The Minister of Mining, Prof. Dr. Sadli said that the Indonesian Central Bank will be the official body to receive foreign loans which means that Pertamina will not be allowed to obtain official foreign loans.

According to the Public Relations Section of the Department of Mining Thursday morning, Minister Sadli is visiting Tokyo to attend the International Oil Experts Conference. He planned to continue his journey to Geneva. The Central Bank has taken over all of Pertamina's debts and is the sole bank for the oil company.

Sadli said that since the Central Bank in principle is the payer of Pertamina's short term debts it needs new loans to increase its reserve funds. The needed amount of reserves is related to the whole balance of payments and is assured not to be for Pertamina.

"The Indonesian monetary position is strengthening Pertamina" it was added.

Sadli said that the new loans the Central Bank is seeking is outside of the IGGI credit which is based on the G to G principle.

Sadli also confirmed previous news that the Indonesian Government is investigating Pertamina's involvement in the projects which have nothing to do with oil, such as industrial development projects, transportation, education and agriculture.

"These experiences have given us knowledge of Pertamina's financial ability," Sadli said.

Pertamina will give priorities to projects which have something to do with oil and help projects in other sectors if there is a surplus and managerial skill is there, Sadli said.

end.



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new approach meant that Indonesia had changed what seemed to have been its objective in March/April, namely, integration of Portuguese Timor. Colonel Abbas said that it had not. Events in Indo China had strengthened Indonesia's resolve not to allow a "beach-head" for subversive elements in Indonesia. He referred to Portuguese Timor as being in the "belly" of Indonesia.

5. Colonel Abbas said that Indonesia had learnt a lesson as a result of events in Portuguese Timor in late March/early April. It was clear that the aggressive approach, e.g. through Radio Kupang and APODETI, had been counter-productive and antagonised Portuguese Timorese against Indonesia. The new approach would, he hoped, have the opposite effect, provided sufficient time was given by the Portuguese.

6. Colonel Abbas asked me about my visit to Portuguese Timor and I gave him a summary of my reaction at the time, noting that as a result of my discussions with Horta and Lopes da Cruz in Jakarta recently, I had the impression that Indonesia's changed tactics may have weakened the support which had earlier seemed to exist for independence.

7. I said that Curtin and an ADAA representative would visit Dili soon. I hoped to join them but it was not certain.

#### Indo China

8. Colonel Abbas then turned to Indo China. His recent visit to South East Asia had confirmed his view that the US would greatly reduce its interest and role in Asia. Internal problems in the US, developments in Europe and the Middle East would attract US government attention. While the US had important interests in South East Asia, these were probably not of the kind which would lead the Americans to play a large role here again.

X 9. Indonesia, Colonel Abbas said, concentrated on development, for which it required money. As a result of restrictions on aid and trade being applied by the US, Indonesia had to look elsewhere for financial assistance on easy terms. Hence Mr Malik's visits to Eastern Europe and the decisions to receive some form of economic assistance from the Soviet Bloc countries. In accepting this aid, Indonesia was fully aware of the possible dangers and was making sure that the Russians were not given opportunities to increase subversive activities in Indonesia. (Comment: Mr Siagiev, USSR Embassy, told me on 7 May that the Embassy was disappointed that no progress on economic assistance had been made since Malik's visit to the USSR in December 1974.)

Taylor/Abbas (BAKN)  
7 May 1975  
original on 3034/2/18013  
(mem)

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Answers

10. I asked whether Indonesia was also experiencing difficulties in obtaining arms from the US. Colonel Abbas said that events in Indo China had forced the military to hasten its re-equipment program as a matter of the utmost priority. Indonesia was prepared to buy arms but on good terms. It could not afford to pay commercial prices for fear of severely reducing funds available for development. Consequently Indonesia was looking for arms from the US and other western friends. If it failed to get them, it might have to look elsewhere. He said the supply of arms might be discussed by the ASEAN Foreign Ministers meeting in Kuala Lumpur.

Malaysia

11. Colonel Abbas said that Indonesia's main concern within ASEAN was Malaysia. Malaysia was beset by possible problems - communist insurgency; racial tension; the future of Brunei; Tun Mustapha's ambitions regarding a Muslim State in Sabah. Thailand was not such a problem in Indonesian eyes. Thailand would follow the "bamboo policy" it had usually adopted, that is "bending before the wind", so to speak.

12. Colonel Abbas said that he doubted whether North Vietnam, given the tremendous confidence it must have gained as a result of its recent victory, the size of its army and the nature of the ideology it follows, would resist attempts to cause trouble in Thailand and elsewhere in the region. He felt also that China, through its relations with communist parties in the region, would stir up trouble, and referred to the recent Chinese statement on the anniversary of the Malaysian communist party. He referred to the "snowball" effect the communist success would have. I said that our assessment was that the new governments in Indo China would face enormous problems of reconstruction which were likely to consume their time and energy for some years. Also we were not sure that the new governments would prove to be wholly dominated by communist ideology. We thought that they would be at least as nationalistic as they were communist. We felt also that the governments in Thailand and Malaysia were more deeply rooted in the culture and society of their countries than was the case with Thieu or Lon Nol. At the same time we were of course, watching the situation in Thailand and Malaysia very closely. Our view was that it was in the interests of the region as a whole and of the individual countries in the region that cooperative relations with the new governments in Indo China were developed and a confrontation situation avoided.

13. Colonel Abbas agreed that it would be the best policy to avoid a confrontation but said there was a need for countries of the region to be prepared for North Vietnam and the new governments in Indo China to adopt aggressive policies.

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U.S. Bases

10. Asked what Indonesia's attitude towards American bases in the region was, Abbas said that Indonesia's policy was opposed to these bases. But Indonesia wanted an American presence in the region to remain. Questioned about exactly how this presence would be manifested, Abbas spoke in general terms about economic aid and the provision of military equipment.

Japan

11. Abbas said that General Yoga was going to Japan next week to see how Japan intended to react to the new situation in Indo China. He considered the Japanese reaction would be very important, because of their significant economic interests in the region. He would like to see Japan play a more political role, but did not think it likely.

*Taylor/Abbas 15 May 1975.  
orig on file 3034/2/1.*



Note for Hanoi is visit  
23/5/1975

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US/INDONESIA RELATIONS

There has been disillusionment in Indonesia with the United States for some time. This has been aggravated by events in Indo China. There are some specific reasons behind the falling-off in good relations. The US is cutting back on development assistance to Indonesia, partly because of Congress concern about political detainees, and partly because of Indonesia's increased revenues from oil. The US Trade Act now excludes Indonesia (as a member of OPEC) from the usual tariff preferences for developing countries. We have put to the Americans the view that Indonesia will continue to require a substantial volume of economic trade assistance.

There is also a growing feeling in Government circles in Indonesia that US involvement in Indonesia has not had a wholly beneficial effect. There is a fear that Western values, transmitted principally by the US, have had a divisive impact on Indonesian society. The US was seriously believed by the Government to have had some involvement on the January 1974 disorders, which revealed a gap between the Government on the one hand and students, intellectuals and even some of the younger, US trained military officers on the other. We have detected an impatience among some American officials with some aspects of the Soeharto regime. Since the disorders in January 1974, we have had occasion to encourage greater US understanding of, and patience with, the nature and mechanics of the present regime.

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Events in Indo China are almost certain to make the Indonesian Government less tolerant of foreign influences on Indonesian society and less receptive to representations on matters such as political detainees.

The Indonesian Government is understandably anxious about communist military successes in Indo China. It is concerned ~~x~~ that President Ford, constrained by Congress and American public opinion, did not throw the United States into a final military effort in Indo China. The Indonesian Government will as a consequence, be more than ever determined to develop its own capacity to meet external threats. And the Government will be especially anxious to put its own political house in order. But, despite its growing disillusionment with the US, Indonesia does not want to see the US military presence in Thailand and the Philippines run down hurriedly but it will be aware that the nature if not the extent of the United States military presence in South East Asia will have to change. But whatever happens in the military field, the Indonesians will be very keen that there be no reductions in United States economic assistance to the ASEAN region, including of course Indonesia. We should expect, however, that Indonesia will be increasingly insistent on what it sees as its own national interests.



DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

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C O N F I D E N T I A L

QUOTA CALCULATIONS

FOR TREASURY FROM CHESSELL.

LIEFTINCK'S CALCULATIONS (WH17711, PARA 5 REFERS) RELATE TO INDUSTRIAL COUNTRIES AND ARE BASED ON OVERALL INCREASE IN SIZE OF FUND OF 32.5 PER CENT AND INCREASE FOR INDUSTRIAL COUNTRIES OF 23.65 PER CENT, GENERAL INCREASE OF 10 PER CENT AND SHARES IN CALCULATED QUOTAS ADJUSTED FOR MAXIMUM INCREASES OF 42.5 PER CENT, 45 PER CENT AND 48.75 PER CENT. IMAGINE COUNTRIES DOWN LEFT HAND SIDE OF PAGE AND SERIES OF COLUMNS ACROSS HEAD OF PAGE AS FOLLOWS:

- (1) PRESENT QUOTAS
- (2) 110 PER CENT OF PRESENT QUOTAS
- (3) POTENTIAL QUOTAS BASED ON CALCULATED QUOTA (CONSTRAINED TO TOTAL SDR 22.708 BILLION).
- (5) HIGHER OF COLUMNS 2) AND (3) (ALSO CONSTRAINED TO TOTAL SDR 22.708 BILLION) (5), (6), (7) ADJUSTED FOR CEILINGS OF 42.5 PER CENT, 45 PER CENT AND 48.75 PER CENT INCREASES, RESPECTIVELY.

2. U.S. SHARE OF TOTAL IN ALL THREE CASES IS LESS THAN 20 PER CENT. ONLY GERMANY, JAPAN AND SWEDEN ARE SUBJECT TO 48.75 PER CENT CEILING WHILE GERMANY, JAPAN, NETHERLANDS, BELGIUM AND LUXEMBOURG AND SWEDEN ARE SUBJECT TO 42.5 PER CENT CEILING.

*Mr Forster*

3034/11/161

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DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

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R E S T R I C T E D

OVERSEAS VISIT BY PRESIDENT SOEHARTO.

ON 14 APRIL FOREIGN MINISTER MALIK TOLD THE PRESS, THAT THERE WAS NO OFFICIAL CONFIRMATION THAT PRESIDENT SOEHARTO WOULD MEET PRESIDENT FORD DURING HIS OVERSEAS VISIT STARTING IN LATE JUNE. PRESIDENT SOEHARTO WILL VISIT IRAN, SAUDI ARABIA, EGYPT, YUGOSLAVIA AND CANADA.

2. US EMBASSY HAS TOLD US THAT PRESIDENT SOEHARTO HAD ASKED TO MEET PRESIDENT FORD AFTER HIS VISIT TO CANADA. SOEHARTO HAD ASKED THAT THE MEETING BE INFORMAL AND PREFERABLY NOT IN WASHINGTON.

PRIME MINISTER  
FOREIGN MINISTER  
MIN AND DEPT DEFENCE  
JIO  
PM AND C

3034/11/161

ACTION : SEA

SEC DEPSECS EX FAS(SEP) FAS(WES) ASP EUR AME FAS(DEF) DP  
IC FAS(PCR) INF FAS(MFS) FAREP(S)(P)

RESTRICTED

RESTRICTED



DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

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O.JA8869 PMG13

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TO.  
RR CANBERRA/7734

RP.  
RR WASHINGTON/056

GM. JAKARTA / FILE 800/152 REF O.CH197644

C O N F I D E N T I A L

VISIT OF GENERAL BROWN TO INDONESIA

GENERAL PANGGABEAN'S INVITATION TO GENERAL BROWN TO VISIT INDONESIA WAS CONVEYED THROUGH ADMIRAL MAURER, WHO VISITED INDONESIA IN DECEMBER 1974. US EMBASSY HERE TOLD US THEY WERE NOT SURE WHY INVITATION WAS ISSUED.

2. GENERAL BROWN WAS NOT ABLE TO GIVE ANY INDICATION TO THE INDONESIANS ABOUT THE FUTURE SIZE OF US DEFENCE AID TO INDONESIA. AS FOR AS AID WAS CONCERNED INDONESIA SEEMED ANXIOUS TO DEMONSTRATE THAT AMERICAN MONEY HAD NOT BEEN MISSPENT IN THE PAST. INDONESIANS HAD TRIED TO CONVINCE GENERAL BROWN THAT IN THE LIGHT OF DEVELOPMENTS IN INDO CHINA, INDONESIA'S NON-COMMUNIST STANCE AND INDONESIA'S STABLE GOVERNMENT, UNITED STATES INTERESTS WOULD BE BEST SERVED BY SPENDING MONEY IN INDONESIA RATHER THAN ELSEWHERE IN THE REGION.

3. ON INDO CHINA, THE US EMBASSY HAS ADVISED THAT GENERAL BROWN PAINTED A BLEAK PICTURE. HE HAD TOLD INDONESIANS THAT THE US WOULD WAIT FOR ABOUT 4 WEEKS TO SEE IF SOUTH VIETNAM HELD. IF IT DID, GENERAL BROWN CONSIDERED THAT US AID TO SOUTH VIETNAM WOULD CONTINUE BUT HE WOULD NOT SPECULATE ON THE LEVEL OF THAT AID. APPARENTLY HE SAID THAT FINANCE FOR THIS AID WOULD COME FROM THE BUDGET FOR FY 1976. THE UNITED STATES DEFENCE ATTACHE SAID THAT THE GENERAL GAVE THE IMPRESSION THERE WOULD BE LITTLE DIFFICULTY OBTAINING THESE FUNDS. HE SAID, HOWEVER, THAT GENERAL BROWN WAS PESSIMISTIC ABOUT DEVELOPMENTS IN SOUTH VIETNAM AND CAMBODIA.

4. THE US EMBASSY HAS TOLD US THAT IN GENERAL IT WAS HAPPY WITH THE RESULTS OF GENERAL BROWN'S VISIT. OUR INDONESIAN CONTACTS HAVE EXPRESSED SATISFACTION WITH GENERAL BROWN'S REACTION TO THE WAY PREVIOUS UNITED STATES MILITARY AID HAD BEEN USED IN INDONESIA.

2/...

3034/11/161

Mr. Gutter



DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

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2-0.JA8869

PRIME MINISTER  
FOREIGN MINISTER  
FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
JIO  
PM AND C

CONFIDENTIAL

CONFIDENTIAL

ACTION: SA/ASP

SEC	DEP	SECS	EX	FAS(SEP)	SEA	PNG	FAS(NSA)	FAS(WES)
EUR	FAS(DEF)	DP	IC	FAS(PCR)	INF	FAS(MFS)	FAREP(S)	(P)





CONFIDENTIAL

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AUSTRALIAN EMBASSY  
JAKARTA

In reply quote No. 800/152  
Memorandum No. 195

11 February 1975

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

VISIT TO INDONESIA BY US UNDER-SECRETARY  
OF STATE FOR SECURITY ASSISTANCE

The United States Under-Secretary of State for Security Assistance, Mr Carlyle Maw, visited Indonesia from 3 - 5 January 1975 as part of a tour to a number of Asian countries.

*Indonesia Sent  
Original 28/10/75*

2. We have spoken to Lieutenant-Colonel D. Fingle, Chief of the Army Branch of the United States Embassy Defence Liaison Group (USDLG) about the visit. He said that Mr Maw was an old man of 75 and had been rather tired throughout the visit. He had had the usual round of meetings with senior Defence and Military officials, and was received by the President. Fingle said that the advisers who accompanied Mr Maw, being political appointees, were not as sympathetic as the US Embassy would have liked towards continuation of the US defence program to Indonesia at its present level. The Embassy was fighting a losing battle to keep the program going because of lack of sympathy in Washington. Fingle felt that Mr Maw's visit had not been as useful as that of Mr Clements towards the end of last year. The latter carried a much more positive brief and had spoken to the Indonesians with much more authority than Mr Maw had done.

*Mr Joseph*

3. We received another comment on Mr Maw's visit from Mr J. Monjo (Counsellor Political, US Embassy) who said that the problem with the visit was that no assurances could be given to the Indonesians because of the attitude of the Congress in Washington. The visit had done little, therefore, to clarify how the American defence aid program in Indonesia would fare in the future.

*P 3034/11/16*

4. The Americans here have since indicated to the Military Attache that they are very pessimistic about the 1975/76 financial year. They hope for an allotment of \$US13 million at most, but think it more likely that \$US11 million will be provided as military aid to Indonesia. They did not expect a decision until May 1975.

5. A copy of this memorandum has been sent to Washington.

*[Signature]*  
(D.J. Fisher)  
Second Secretary

CONFIDENTIAL



Relations with the United States

*Singapore 8/15 - 10/2/75-*

26. On 7 February Indonesia and the United States signed a \$US 24.7 million loan agreement for the purchase of equipment and pesticides for Indonesia's malaria eradication program. The loan is repayable over 40 years including a 10 year grace period at an interest rate of two percent during the first 10 years and three percent thereafter. At the signing ceremony Foreign Minister Malik expressed the hope that other agreements for road rehabilitation in Aceh and labour intensive projects would be concluded soon with the United States.
27. Indonesia has been upset by United States opposition to soft term loans by the IBRD and ADB to Indonesia. This loan, and one of \$US 13 million by the ADB for fisheries development, which we understand the United States did not oppose, would please Indonesia.
28. It has been announced that Indonesia will get 12 "Bronco" aircraft from the United States. We understand that Indonesia will pay for the aircraft and that delivery would probably start in about a year.

National Archives of Australia

NAA: A1838, 3034/11/161 PART 17



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F. 3034/11/161

Jkt. Sangram 21-1-75

JA 7069

Relations with the United States

26. On 17 January the Minister for Trade, Radius Prawiro, made representations to the United States Ambassador here against restrictions imposed by Congress on tariff preferences for United States' imports from Indonesia because Indonesia was a member of OPEC. Foreign Minister Malik referred publicly to the United States restrictions on aid to Indonesia through the ADB and IBRD. We understand that the Indonesian Government is very upset by these developments.

Smuggling

14. The United States Embassy has confirmed to us that a member of their local staff was involved in the smuggling of 75 tons of cloves seized on 7 January. The incident has political significance as there are strong rumours that some of those involved in the scandal have connections with the Palace. Six people suspected of involvement have been detained.



CONFIDENTIAL



AUSTRALIAN EMBASSY  
DJAKARTA

In reply quote No. 800/152  
Memorandum No. 1287

Nov 21 11 57 AM '74

15 November 1974

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

3034/11/161.

INDONESIA: MEETING WITH STAFF CONSULTANTS OF  
UNITED STATES SENATE FOREIGN RELATIONS COMMITTEE

The Charge d'Affaires of the United States Embassy, Mr D.R. Toussaint, arranged for me to have a private luncheon on 13 November 1974 with the two staff consultants to the Committee on Foreign Relations of the United States Senate, Messrs Richard M. Moose and Charles F. Meissner. In conveying the invitation, Toussaint said that the cable which the American Embassy had received from the State Department on the visit had mentioned that they wished to talk to me at some stage. (I subsequently discovered that Mr Moose was known to Mr Peter Timmins of our Washington Embassy and to Mr G.B. Feakes and Mr M.G.D. Williams of the Department.)

2. Toussaint said that the Embassy had been instructed by the State Department to handle the visit "with care", and to ensure that the two visitors were briefed thoroughly on United States policy towards Indonesia. Toussaint said that the Embassy had stressed to the two consultants that it was in the interest of the United States not to take any action, for example on foreign assistance, which might suggest to the Indonesian Government that the United States wished to draw away from the Indonesian Government. In saying this, Toussaint had in mind international criticism of the Soeharto regime, particularly in relation to political prisoners, repression, corruption and the like. Toussaint said that they had told Moose and Meissner that the Embassy sought to take a balanced view of political developments in Indonesia. The Embassy considered it to be in the United States' interest to maintain a constructive and business-like relationship with the Indonesian Government.

3. Toussaint later rang to say that Moose and Meissner had asked the American Embassy not to be represented at the luncheon. (This apparently was in accord with most of their meetings with others in Jakarta.) Toussaint, however, sent one of his political officers to the restaurant before the two consultants arrived to give me an up-to-date briefing. I asked Mr Fisher, who has unusually good contacts with students and student leaders in Indonesia, to accompany me, and this was welcomed by Moose and Meissner.

*Mr. Joseph.  
A few things  
of interest in this.*

*W.M.W.  
Mr. Fisher  
Mr. Fisher*

*File.*

*Copy sent to Americas Sec'n.*

3034/11/161  
3/2

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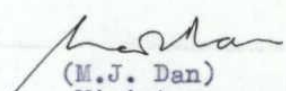
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4. We had a very detailed and open discussion on a whole range of political and social subjects. We explained the Australian Government's attitude and approach to the Indonesian Government. On political prisoners, they were very complimentary about our direct approach on this subject with the Indonesian Government (and not so flattering in their comments about the American Embassy's coy approach). We said we had developed with the Indonesian Government a remarkable relationship which permitted us to be very frank with the Indonesian Government on individual matters without risking the broader relationship. This left us open to criticism in some quarters that we were too closely identified with "the regime". But without this "closeness" we would not be able to say the things that we thought needed to be said nor exercise the influence we felt was helpful to Indonesia.

5. At the end of the discussion, Moose and Meissner told us that the Senate Foreign Relations Committee had really never focussed properly on Indonesia. It was one country the Committee had neglected. Having now read widely on the subject, and with the advantage of their discussions in Jakarta, which included meetings with a number of Indonesian Government Ministers and leading personalities including Ali Murtopo, they had reached the conclusion that Indonesia was a country which warranted very close and sympathetic understanding and attention by the Senate. They felt that "whichever way the Indonesian Government goes" in the next few years, Indonesia would remain a key country for the stability of the South East Asian region and thus very important to the United States. They would be saying this in their confidential oral presentation to the Foreign Relations Committee.

6. I am reporting separately on their discussions with Ali Murtopo on Portuguese Timor on 12 November.

7. A copy of this memorandum is being sent to Washington.

  
(M.J. Dan)  
Minister

CONFIDENTIAL



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AUSTRALIAN EMBASSY  
DJAKARTA

In reply quote No. 800/152  
Memorandum No. 1144

9 October 1974

The Secretary,  
Department of Foreign Affairs,  
JAKARTA

3034/11/161.



VISIT OF MR CLEMENTS TO INDONESIA

The U.S. Deputy Secretary of Defense, Mr William H. Clements Junior, visited Indonesia on the 28th and 29th September. We have discussed the visit with Mr John Monjo, Counsellor of the U.S. Embassy.

2. Monjo said that the visit had been a slightly awkward one, as it had had to reconcile the respective interests of the Indonesians, the Embassy and Mr Clements himself. The Indonesians had sought reassurance that President Nixon's policies towards South East Asia, and in particular Indonesia in the defence field, would continue; the Embassy was anxious that Mr Clements would be able to provide an authoritative insight into the new administration's policies; while Mr Clements himself, the Embassy felt, might be approaching his tour of South East Asia less seriously than might be required. Mr Clements' tour followed the annual United States/Korean coordination talks, which were held in Honolulu, and the original purpose of the South East Asian visit had been largely for familiarisation. The Embassy was concerned how, as a Texan millionaire and having been in office for only one year, Clements would handle the visit.

3. During his visit Mr Clements called on the President, the Minister for Defence (General Panggabean), and the Head of the State Intelligence Coordinating Body (BAKIN), Lt. General Yoga Sugama.

4. Mr Clements assured the President and other people he met that United States policy towards Indonesia and South East Asia remained unaltered. Mr Clements explained the Administration's difficulties with Congress and, in particular, the changed mood towards oil-producing developing countries. He made it clear that there were great difficulties in continuing defence aid in grant form. The President indicated understanding of the mood in Congress.

5. Mr Clements stressed that there would be no problems in providing further assistance in training areas. He also confirmed that the United States would carry out its undertaking to supply two further destroyer escorts to Indonesia.

*Mr Foster*

*Mr [unclear]*

*Copies to Americas section & [unclear] pls. Brian [unclear] [unclear]*

*F 3034/11/161*

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CONFIDENTIAL



CONFIDENTIAL

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The first two of these were delivered in late 1973 and early 1974, under an agreement signed in 1973 which made provision for a total of four. These vessels are the last diesel powered ships in the United States Navy and, because they are simpler to operate than steam turbine vessels, could have found a ready market elsewhere. Monjo said that they had been offered to the Indonesians at the highly concessional terms of \$US 150,000 each; if they had been sold on the open market they might have fetched in the order of \$US 6 - 7 million. The Indonesians were extremely appreciative of United States generosity. Mr Clements said that similar if less generous concessional purchases from the United States - for example of scrapped aircraft - might be possible and made it clear that there would be no difficulties in commercial defence sales of equipment to Indonesia.

6. Monjo said that he understood that the Defense Department was submitting a bid to Congress for defence aid to Indonesia in the coming year of \$US 25 million. He expressed some surprise at this, saying that he thought it had no hope of getting through, and that the final amount would be closer to half or two-thirds of the figure sought. The emphasis would be on training and other non-grant forms of assistance.

7. In general, Monjo said that the visit had been useful and had gone off better than the Embassy had expected. Clements was something of a rough diamond but had handled his delicate task effectively and left the Indonesians reassured about United States intentions.

8. A copy of this memorandum has been sent to Washington.

*J.W. Arriens*

(J.W. Arriens)  
First Secretary

CONFIDENTIAL



CONFIDENTIAL

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3004/11  
3034/11/161

29 August 1974

MINISTER'S PROPOSED DISCUSSION WITH DR KISSINGER


Mr ~~Curtis~~

I suggest that consideration be given to suggesting to the Minister that he raise with Dr Kissinger the following issues falling within South Asia Division's area of responsibility:-

- (a) Prospects of Indo-China.
- (b) Great Power rivalries in South-East Asia.
- (c) Prospects of Indonesia and Australia's role vis-a-vis Indonesia.
- (d) Future of SEATO.

2. With regard to (c) above, it would be very useful for the Minister to sound out Dr Kissinger to see whether he shares the view expressed by Mr Robert S. Ingersoll (Washington's memorandum 785 of 26 March, paragraph 13) that the most important aspect of Australia/American relations, particularly in the Asian Pacific area, lies in Australian interests in and influence over Indonesia. It would also be useful to ask Dr Kissinger what effect he believes developments in Indonesia may have in the South-East Asian region as a whole. Does he think that Indonesia is likely to become politically unstable or more self-assertively nationalistic and, if so, does he think that this would have a wider unsettling effect? Finally, it might be worth asking Dr Kissinger how he assesses future United States relations with Indonesia, especially in regard to its aid program (including defence aid).

3. I would suggest ~~that~~ special consideration be given to Indo-China (for obvious reasons) and Indonesia (because of the priority the United States - like ourselves really - has tended to give Indonesia, and because we have indications that the United States assessment may be rather more pessimistic than ours).

  
(J. L. Lavett)  
A/g First Assistant Secretary  
South Asia Division

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3034/11/161

Digest of Despatches ES.

19/8/74

with some defence procurement by the recipient country; and the devising of a follow-on aid program consistent with Indonesia's changing situation and our own continuing interests and commitments is bound to be a rather delicate task.

My purpose in drawing attention in this despatch to these new developments in the defence field is to acknowledge the need for an objective, but at the same time, constructive review of our defence cooperation program with Indonesia. I recognise, of course, that there are political factors that will also need examination in such a review. My own view at this stage is that the considerations that induced us to develop a defence cooperation program with Indonesia remain broadly valid and the case for a significant continuing program after 1975 still exists. I suggest that our own review should begin in the early future.

#### Perceptions of United States Policy

These Indonesian moves in the defence field are very probably related to Indonesian perceptions of a changing U.S. presence in Asia. They undoubtedly do reflect the fact that U.S. defence aid is now running at about half the level previously contemplated. The Indonesians remain uncertain about the U.S.'s long-term intentions in the region, and we have had several intimations that the withdrawal of the ANZUK forces from Singapore would be a psychological blow in the region disproportionate to the number of men stationed there. The Indonesians, increasingly, feel they must be more independent and self-reliant. This is the well-known doctrine of national resilience, but, where formerly the emphasis was on social and political solidarity, more attention is now being paid to defence capability as such.

The riots appear to have had the effect of detaching Indonesia slightly from its formerly close ties with the United States. Influential Indonesians close to the President believe, rightly or wrongly, that the United States is out of sympathy with this regime and more sympathetic to left-wing intellectuals whom they themselves hold in contempt. The large reduction in both civil and defence aid this year is regarded as a tangible sign of the U.S. Administration's mood. U.S. irritation with oil producers, and Indonesia's own misgivings about U.S. sympathies, have

~ PSI?

- 7 -



3004/13/21

helped persuade Indonesia to widen its circle of friends. From the U.S. side, their future aid policy towards Indonesia will be considerably complicated by a congressional requirement for continuing reports to be submitted, in connection with the aid programs, on countries where there are sizeable numbers of political prisoners.

#### Relations with Other Countries

There is also a greater sense of detachment from Japan. Indonesia remains heavily dependent economically on Japan, but finds this irksome and is now able to impose tighter conditions for investment, joint ventures and business practices generally. The Indonesians are driving a hard bargain over the giant Asahan hydro-electric project in North Sumatra, and have extracted the maximum advantage from the low sulphur content of their oil and their proximity to Japan in relation to the Middle East.

Indonesia continues to move confidently in ASEAN, which has been the main focus of its foreign policy in the past few years. Jakarta has been chosen as the site for the ASEAN Secretariat, and Indonesia has been active in lending its good offices to the Southern Philippines question. Indonesia's new self-confidence and sense of independence is not in any way inconsistent with the development of ASEAN, of which grouping all members recognise Indonesia as the natural leader.

Indonesia's mediation between Malaysia and the Philippines reflects the other major feature of Indonesia's foreign policy under Suharto, namely the preoccupation (some would say obsession) with internal security. This preoccupation may be traced to the violent circumstances which gave rise to the birth of the regime, together with a healthy appreciation based on the experience of the fifties of the capacity that minority groups such as the Moslems have for promoting internal disorder. The Indonesians, accordingly, regard themselves as having indirect but vital interests at stake in the Southern Philippines dispute.

For the same reason, Indonesia appears recently to have decided to promote its relations with the Islamic and Arab world, from which they have previously kept a discreet distance. The growth of international Islamic cooperation, and the new wealth of the Arab countries, have heightened Indonesian fears that its restive Moslem groupings could be subject to outside influences. (There are already reports of Libyan money in the country, especially in Central Java.)



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SECRET

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CONFIDENTIAL

3034/11/161

9 August 1974


RELATIONS WITH THE UNITED STATES

Mr Witheford

I refer to Mr Hoyle's minute 250/9/1 of 7 August regarding the forthcoming discussion between Sir Patrick Shaw and Dr Henry Kissinger.

2. Assuming that this meeting now takes place, I believe that it would be highly desirable to sound out Dr Kissinger's views on Indonesia. The main points at that level would be:-

- (a) Does Dr Kissinger share the view expressed by Mr Robert S. Ingersoll (Washington's memorandum 785 of 26 March paragraph 13) that the most important aspect of Australia-American relations, particularly in the Asian Pacific area, lies in Australian interests in and influence over Indonesia?
- (b) What effect does Dr Kissinger believe developments in Indonesia <sup>is</sup> likely to have in the South East Asian region? Does he think that Indonesia is likely to become politically unstable or more self assertively nationalist and, if so, does he think that this will have a wider unsettling effect? If so how?
- (c) How does Dr Kissinger assess future United States relations with Indonesia, especially in regard to its aid program (including defence aid)?

  
(J.L. Lavett)  
Assistant Secretary  
South East Asia Division

CONFIDENTIAL





DEPARTMENT OF FOREIGN AFFAIRS **RESTRICTED**

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Mr. LAVETT.

31-15.

CANBERRA, A.C.T. 2600

*In reply quote No.*

250/9/1

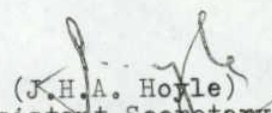
7 August 1974

RELATIONS WITH THE UNITED STATES

Mr Curtis  
Mr Brady  
Mr Flanagan  
Mr Lavett  
Mr Joseph  
Mr Greet  
Mr Ashwin  
Mr Peachey  
Mr Laurie  
Mr Hughes  
Mr Piper  
Mr Smith  
Mr Truscott

At the Secretary's meeting this morning it was decided that Pacific Branch would collate Branches' contributions to instructions to be sent to Sir Patrick Shaw for his call on Dr Kissinger on 12 August.

2. Please ensure that any contribution from your Branch is handed to Mr Witheford (Room LG26B, extension 2164) by 12.30 p.m., Friday 9 August.

  
(J.H.A. Hoyle)  
Assistant Secretary  
Pacific Branch

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National Archives of Australia

NAA: A1838, 3034/11/161 PART 17



Perceptions of United States Policy

(F) 3034/11/161 158

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- 7 -

*Mr Poulanger's Despatch 2/74  
of 17 July 1974.*



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Dec 1971

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National Archives of Australia

NAA: A1838, 3034/11/161 PART 17



# US presence still felt in most S-E Asian countries

Last of a series by JOSEPH LELYVELD  
of "The New York Times"

VIETNAM may have left an aversion to long-range commitments, but in the aftermath of the war the United States has still been able to undertake a new and important military relationship.

In the last two years, after a hiatus of more than a decade, it has quietly resumed military aid to Indonesia.

No treaties were signed and no proclamations issued, but the United States went ahead and armed two mobile brigades to serve as the House Appropriations Committee was told last year, as a valuable deterrent to any significant dissident challenge in that far-flung archipelago.

Significantly, when the program was challenged, it won approval after being defended in terms of American economic interest Representative Otto Passman (Democrat), who is chairman of the committee, reacted skeptically at first, recalling Indonesia's former dependence on the Soviet Union for arms.

But after obtaining a special briefing on the country's natural wealth, he withdrew his objections, telling the committee: "They just discovered an island that is almost sinking with nickel. It is the largest nickel deposit that the world has ever known. Another island is almost solid copper."

For the relatively modest cost of \$20 million in grant aid, the United States has been able to assure itself a position as Indonesia's main military supplier. This year about 200 of the 1,000 Asian military officers being trained in the United States will be Indonesians.

Seventy American military men are stationed in Indonesia as inconspicuously as possible because that is the way both Governments must have it.

The major test of American intentions in South-East Asia will be Thailand, where a reduction in force — from 35,000 to 27,000 by the end of this year — is in progress.

Theoretically the force will continue to be "drawn down" when the threat of war fades from Indo-China, but even in theory there is no American commitment to reduce it to zero eventually.

"Some Thai generals see a relation between the size of our

forces here and the size of our military-assistance program," a high US Army officer in Bangkok said. "I don't think that's necessarily so. We are going to have residual interests here for many years to come. There will be ample reasons for a quid pro quo with the Thais."

For instance, even if the Air Force decided to use Clark as its forward base on South-East Asia, it would still be eager to retain landing rights in Thailand.

"Without Thailand there is no place between the Philippines and Iran where we can land a military plane," an official noted.

In fact the Air Force is talking not only about landing rights but "re-entry rights" to the seven bases the United States has built in Thailand in the last 10 years. Nominally they belong to the Royal Thai Air Force, but it is apparent that the Thais have neither the need nor the means to maintain them all in a state of readiness.

General John Meyer, head of the Strategic Air Command, has been quoted as saying it would take only 72 hours to return the B52s now stationed at U Tapao if it was finally decided to withdraw them all.

The most sensitive and possibly the most important "residual interest" the United States would seek to retain in Thailand is one that is almost never mentioned — a key electronic-intelligence station in the north-east at a place called Ramasun, about five miles south of a major air base at Udorn Thani.

There are 1,500 United States Army men stationed at Ramasun, which is formally known as the Seventh Radio Research Field Station. That name does not appear on any signpost; in fact, except for warnings in Thai and English that the base is patrolled by dangerous dogs, there are no signs.

The most prominent feature, as seen from the highway, is a screen of wires, rods and high antennas laid out in a huge circle around a windowless concrete building. At a glance it might be mistaken for scaffolding for a football stadium under construction.

Though American officials in Bangkok wave away questions about Ramasun's function — "no one here is authorised to

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speak about it," one said — a four-sentence statement made available by a military spokesman says Ramasun is involved in "electronic research projects" and "communications research and development," and that it "provides rapid radio relay and service communications for defence of the United States and the free world."

The very delicacy with which the base is discussed, when it is discussed at all, helps to define its role. At the least Ramasun is able to monitor low-frequency radio transmissions in North Vietnam and China that cannot be picked up by more remote listening stations or satellites.

No written agreement assures the American tenancy at Ramasun or any of the air bases. "We paid for what we got," an American official said, referring to the \$640 million in military aid, all in grants, that Thailand has received in 10 years.

This assistance has been justified to Congress as support to the Thais to enable them to resist Communist insurgency in the impoverished and neglected north-east. If the insurgency did not exist, it might have been necessary to invent it to explain the aid, but the Thai Communist Party obligingly decided to take up arms in 1965, just as the United States was settling into the bases.

The ensuing counter-insurgency effort, it is now acknowledged, added little lustre to the American reputation for ex-

Financial Review, 10/7/74.

(f) 3034/11/161.



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the bases. But Congress has been cutting military aid grants at every opportunity, and those to Thailand are clearly on the cutting list.

peritise. The United States trained the Army and Police and initiated pilot development projects, psychological warfare and grassroots mobilisation. Social scientists descended on the area to study and quantify the tiny insurgency and the village society in which it was establishing itself.

The program seemed to make little difference. The insurgents grew at a steady if unspectacular rate of 10 to 20 per cent a year, and now, it is estimated, there are 7,000. Lumping together the military and economic assistance that has ostensibly been earmarked for their extirpation, it can be calculated that the United States has spent about \$90,000 on each.

The flaw in the program, American officials now say, was that the Thai armed forces had little appetite for grappling with the insurgents at the village level. Instead, it is said, they have usually been content to contain them in remote areas.

The situation continues to deteriorate slowly, but the United States has decided to scale down its involvement. For the first time in 13 years there are no American special forces units in Thailand; the last Green Beret left in March. By the end of the year the last US officer serving as an adviser to the Thai army at the regimental level will also have departed.

Five years ago the United States Embassy in Bangkok had more than 30 officials with the insurgency as a full-time pre-occupation; now the number is said to be three.

As in the Philippines, American officials now tend to explain military assistance to the Thais as a form of payment for

To make up for the cuts the Thais have been offered credits for military sales but have yet to accept any.

"The general plea is that it's happening too fast and too soon," an American officer said.

The same plea is heard in South Korea, which still receives 80 per cent of its military assistance from the United States in the form of outright grants. Indeed, there is only one former recipient in Asia that the United States has been able to coax into thinking of itself as a customer, and that is Taiwan.

Though military grants to Taiwan stopped last year, there is no suggestion that the military assistance advisory group there might have outlived its usefulness. "On the contrary," said Major-General John Barnes, who was interviewed shortly before he completed his tour as its commander, "it still has the job of promoting sales of American weapons."

Last year, almost as if President Nixon had never ventured to Peking, the United States authorised a "co-production contract" between the Chinese Nationalists and Northrop Aviation for the production of F-5E "International Freedom Fighters" on the island. "They're selling like hot cakes," General Barnes noted.

"We encourage US industry coming in here and telling these people what they have to sell," he said. "There will be a need for MAAG here as long as we want them to have US equipment." In the general's mind, that plainly meant indefinitely. He did not foresee an American disengagement — not from Taiwan, and certainly not from Asia.

"We're going to continue to march," he said.



→ Indonesia Section

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AUSTRALIAN EMBASSY

DJAKARTA

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In reply quote No.

Memorandum No. 559

17 May 1974

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

DIPLOMATIC CONFERENCE ON HUMANITARIAN LAW:  
ADMISSION OF PRG - INDONESIAN VOTE

Please refer to your memorandum 153 of 18 March 1974 to Saigon (file 3014/10/5) and Saigon's memorandum dated 19 April 1974. Our memorandum 395 of 9 April 1974 also refers. The following additional background from the US Embassy may be of interest.

2. On 10 May we spoke to Mr J. Monjo of the United States Embassy and mentioned in passing the Indonesian vote for the admission of the PRG to the Diplomatic Conference on Humanitarian Law. He said that the Indonesians had not told the Americans in Jakarta beforehand that they were intending to vote for the admission of the PRG. The matter had been raised by the American Ambassador with the Foreign Minister Adam Malik, but Malik had replied non-committally and said merely that they were still thinking about it. Monjo added (please protect) that Under Secretary Rush had apparently raised the matter with President Soeharto when he passed through Jakarta just before the vote was taken. The matter had been mentioned only in passing and Rush had told the President that the United States would be concerned about a vote in favour of the admission of the PRG. Monjo said he had not seen a report of what Rush had said nor of the Indonesian response, but he was fairly sure that the matter had been raised. Following the vote the expression of United States concern had been oral and no vote had been presented to the Indonesians.

3. Monjo gave a similar account to that of Barrett as to why Indonesia had decided to vote in favour of the PRG. The PRG was waging a war and therefore seemed logical to the Indonesians that the PRG should be involved in any discussion relating to the laws to be observed in warfare. The vote in favour of the PRG was not therefore a formal recognition of the PRG.

4. With regard to Indonesia's general position on the Viet Nam question, Monjo admitted that he could not understand clearly what Malik wanted. He said that Malik's statements seemed to indicate that he favoured the creation

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of three Viet Nams. However, he felt that it was not Malik who was dominant in formulating Viet Nam policy and therefore what he said might not be a true indication of what the Indonesians wanted. With regard to the ICCS, for example, it was the President himself who decided Indonesian policy and the voice of Malik was only one of those listened to. HANKAM (Defence Department) and BAKIN (State Intelligence Organisation) were perhaps more important than Malik in this regard.

5. It is relevant that, while the North Vietnamese were invited to last week's ASEAN meeting, there was no reciprocal invitation to the Republic of Viet Nam. This, according to a press briefing attributed to Mr Malik, was because the Paris Agreement left the status of South Viet Nam unresolved - between the Saigon Government and the PRG. We are less inclined to think that the Indonesians "favour" three Viet Nams, but they are concerned to establish their bona fides in the ICCS as something more than the nominee of the US. This would be important in the context of their long-term relations with Hanoi, a rival for influence in South East Asia. They would feel, in the circumstances, that the South Vietnamese had no option but to accept their action as they could only lose by alienating Indonesia.

6. Copies of this memorandum are being forwarded to Saigon, Hanoi and Washington for information.

ABY  
(D.J. Fisher)  
Second Secretary

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DJF/ecp

AUSTRALIAN EMBASSY  
DJAKARTAIn reply quote No. 904/4/4  
Memorandum No. 548

15 May 1974

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

INDIAN OCEAN PEACE ZONE:  
INDONESIAN VIEW.

Please refer to your memorandum 423 of 2 May 1974 (file 697/8/5) to which, in present staffing circumstances, we have had some trouble in preparing a reply. We should have wished, in particular, to follow up with Sudio Gundaram (our cable 1332) but this has not been possible.

2. The US moves towards obtaining facilities on Diego Garcia have led to several public statements by the Indonesian Government and by officials on the Indian Ocean over recent months.

3. The most significant of these statements was made by the President on 9 February 1974 when, at a ceremony marking the installation of four new Indonesian ambassadors, he said that Indonesia was following with deep concern the stepping up of military activities by the US and Britain on the Island of Diego Garcia in the Indian Ocean. The President added that Indonesia would make several important moves in the direction of world peace and therefore felt thwarted by any new step, taken by any power whatsoever, which led to an increase in the military power of outside parties in her area, especially in cases where the needs of self defence were exceeded. He went on: "We believe this, precisely because it is not possible for peace to result from the cultivation of military power". Indonesia wanted peace in the region surrounding it so that development of the nations in the region could be fostered. In this context, the President concluded, Indonesia viewed with deep concern the increase in military activities by the US and Britain on Diego Garcia. "Such steps clearly negate our desires and will not contribute to the development of peace in this region."

MR Mahony's return  
To your files  
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4. The previous day Foreign Minister Adam Malik was reported to have stated the same position in the following terms: "Indonesia regrets the fact that the super powers do not understand the opinion, often and clearly expressed by many countries in United Nations forums, which desires that the Indonesian Ocean be made a zone of peace. If the United States' excuse for extending its military facilities in the Indonesian Ocean is that the Soviet Union has already located its military facilities there, this could result in the area becoming a zone of competition rather than a zone of peace. Indonesia deplores such an attitude." On 5 March, following U.S. Under-Secretary of State Rush's visit to Indonesia, Malik again stated that Indonesia held doubts about the Diego Garcia project. He was reported in ANTARA as saying: "The US Under-Secretary of State Kenneth Rush has informed me that there is no intention of his country's part to construct a base on Diego Garcia and that the money is to be spent on the repair of the port... Hopefully that is the case... I told Under-Secretary Rush not to take part in an arms race in the Indonesian Ocean. Indonesia does not object if what is located on the island are technical facilities for the repair of ships, and not a base."

....  
5. The views expressed privately by the Indonesians, including Mr Malik himself, line up pretty well with the stance which they have taken publicly. We attach for your ease of reference a copy of an extract of the record of the exchange of views on the Indian Ocean between the Minister and the Department of Foreign Affairs on 13 March 1974 relating to the Indian Ocean. In that record you will note that Malik's main concern was that competition between the great powers in the Indian Ocean should be avoided. As the Indonesians are particularly concerned about the Soviet influence there Mr Malik had asked Soviet Deputy Foreign Minister, Mr Firyubin, during his visit to Indonesia whether the Soviet Union had bases in Bangladesh and India. It is interesting that the Indonesians viewed the Chinese claim to the Paracel and Spratly Islands in this context as well.

6. The US Embassy interpretation has been that the Indonesians felt obliged to come out strongly in public criticism because the US and British moves were made the subject of a press release by the US. Djajadiningrat (Director General of Political Affairs DFA) apparently told Assistant Secretary of State Ingersoll when he was here immediately before Rush's visit that, had the Americans made less noise, the Indonesians could have accepted their presence as a foil to the Soviet build-up in the region. However, the US had given the announcement some publicity and consequently the Indonesians were compelled to respond. This makes sense in the light of Indonesia's relations with the Arab countries and the importance to her of retaining the appearance of a totally independent stance. But there is also involved in this a feeling of impotence. The Indonesians know that, if the US or USSR chose to ignore its views,

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there is nothing which Indonesia could do to prevent them. This applies in respect of the US attitude on the archipelago concept, which is closer to home. The strength of the public stance taken by Indonesia on this matter may, however, be aimed partly at Congress. If this is so, it is not clear to us whether the intended effect would be to modify US policy on Diego Garcia or to provide a bargaining counter for trading in other areas of bilateral relations.

7. We raised the subject in general terms with Mrs Wirjosaputro of the Indonesian Foreign Ministry at lunch on 13 May and her reaction was, essentially, "if we don't like something that the super powers do what else can we do but squeal". The view, which she advanced, was specifically critical of Diego Garcia. However, the idea of leaving the Indian Ocean as a Russian preserve would be anathema to the Indonesians. If there has to be a US build-up to prevent that, however, they would prefer that it be done with a minimum of fanfare - a preference which is probably unrealistic in view of the partial need of the US to derive psychological benefits from what it does.

8. The Indonesians' desire to see a zone of peace ultimately established is a sincere one and they can be expected to oppose vocally any real or apparent military escalations by any outside power. But one implication of President Soeharto's 9 February statement (quoted above) might be that Indonesia would not be opposed to military steps taken by littoral states so long as these were aimed specifically at strengthening their self defence capability. But steps which go beyond the self defence requirement would, under this criterion if it were firmly applied, be subject to denunciation by Indonesia as unnecessary escalation.

9. The Indonesians have so far been non-committal to us on what they expect to come out of the Ad Hoc Committee meeting in June. They appear still to want a meeting of littoral states, which they have advocated for some time. Whom they see attending is not quite clear. We have had it put to us that Australia is a littoral state but we get the impression that, if a consensus were necessary to get the meeting going and some states were opposed to Australia, perhaps because of North West Cape, the Indonesians might not be ready to stand out in support of us. Certainly the littorale would be deemed to end, on the African coast, north of Mozambique and there would be a gap represented by Israel. On the Indonesian side, there has been little response to our approaches on this subject which, it will be recalled, was broached by Sir Keith Waller at the 1972 officials talks.

....

10. We are attaching to this memorandum mainly for New York's ease of reference, copies of previous Embassy reports on this subject. Copy of this memorandum and attachments has been forwarded to UN New York.

(J.D. McCredie)  
Charge d'Affaires a.i.

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EMBASSY OF AUSTRALIA

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REPLY QUOTE 221/3/3/3/1

Memorandum No: 814

28 March 1974

The Secretary,  
Department of Foreign Affairs,  
CANBERRA

UNITED STATES POLICY ON HUMAN RIGHTS

We attach for your information a report of the Sub Committee on International Organizations and Movements of the Committee on Foreign Affairs of the House of Representatives entitled "Human Rights in the World Community: A Call for U.S. Leadership".

2. The report was issued as a result of hearings on human rights which had been taking place intermittently over the past year. The report makes a number of recommendations which include the following:

- (a) that the State Department treat human rights factors as a regular part of United States foreign policy decision making;
- (b) Senate ratification of the Convention on the Prevention and Punishment of Genocide and other human rights conventions pending before the Senate;
- (c) Congressional broadening of the law governing the functions of the United States Civil Rights Commission to include international human rights. It is proposed that the Commission comment upon the attention given to human rights by United States foreign policy and comment on conditions in other countries;
- (d) that the State Department support the strengthening of United Nations procedures for reviewing human rights complaints and urge the United Nations to undertake a study of the practice of torture and make recommendations to help prevent the practice of torture;
- (e) that the United States should support the extension of the laws of war to internal armed conflict, provision for prisoner of war status for guerrilla fighters who conform to international standards, and greater protection of civilians in armed conflicts. The report also said that the United States Defense Department should review new weapons to determine whether they cause unnecessary suffering.

→ Indonesia Section .../2.  
for information.

Copy of report is in VN-Pol. Section if  
you wish to read it.

M. Polson (UN Pol.)

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3. On 28 March, Mr R. Boettcher, Staff Consultant to the Sub Committee on International Organizations and Movements told us that the hearings were prompted by the feeling on the part of some members of the Sub Committee that United States foreign policy showed a significant disregard for human rights for the sake of other assumed United States interests. In particular, he cited United States relations with the Governments of South Vietnam, Portugal, the Soviet Union, Indonesia, Greece and Chile as being dictated by these other assumed interests. Boettcher said that it was hoped that with the widespread distribution of the report within Congress, with the Administration and to non-governmental organizations, pressures would be brought to bear for greater attention to be placed on human rights considerations in the foreign policy making process. Needless to say there were significant problems to be overcome in that the present Administration placed a very high priority on its bilateral relations with some of the worst offenders. Boettcher added, however, that there had been some response from the State Department to meet some of the recommendations of the Sub Committee. For example, following the hearings, an Assistant Legal Adviser on Human Rights had been appointed.

4. We will forward copies of the testimony given at the hearings when this has been published.

5. Copies of this memorandum have been sent to the <sup>Permanent</sup> Mission in New York and to the Permanent Mission in Geneva.

*J.P. McCarthy*  
(J.P. McCarthy)  
First Secretary.

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EMBASSY OF AUSTRALIA

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REPLY QUOTE 221/3/3/3/1

Memorandum No: 814

28 March 1974



The Secretary,  
Department of Foreign Affairs,  
CANBERRA

ENCLOSURE ATTACHED

UNITED STATES POLICY ON HUMAN RIGHTS

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→ Indonesia Section. .../2.  
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Polson (UN Pol.)  
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4. We will forward copies of the testimony given at the hearings when this has been published.

5. Copies of this memorandum have been sent to the Mission in New York and to the Permanent Mission in Geneva. *Remained*

*J.P. McCarthy*  
(J.P. McCarthy)  
First Secretary.

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DEI  
Report No. 4/1974  
Issued Mar. 1974

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JANUARY 1974

# ECONOMIC INTELLIGENCE REVIEW

*Section*  
*File item on SEA px*  
*3034/11/161*  
*April*

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1. INDIA — DEFENCE INDUSTRIES
2. SOUTH-EAST ASIA — ECONOMIC RELATIONS  
WITH US

JOINT INTELLIGENCE ORGANIZATION  
DEPARTMENT OF DEFENCE, CANBERRA, A.C.T.

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SOUTH-EAST ASIAECONOMIC RELATIONS WITH US

(RESTRICTED)

Introduction

The countries of South-East Asia\* have had continuous economic relations with the US for many years. In the case of some of these countries, such as the Philippines and South Vietnam, this relationship is particularly close, and throughout the region as a whole there is a considerable degree of economic dependency on the US. This is especially so in aid, both economic and military, but the region also relies to a substantial extent on the US as a market for its products and as a source of capital inflow.

On the other hand, South-East Asia is of only minor economic importance to the US. Her total trade with the region is small, and the region is significant to the US market only as a supplier of a few raw materials. Investment in South-East Asia is similarly small as a proportion of total US investment abroad.

Trade

In the first half of the 1960s trade between the region and the US was nearly balanced, but a gap has since been growing in favour of the US. This trend partly reflects the increased US economic aid that has flowed to the region since the mid-1960s.

In recent years the US has consistently purchased between one-fifth and one-sixth of South-East Asia's exports; in 1972 such purchases totalled \$ US 1429 million (see Table 1). The dependence of individual South-East Asian countries on the US as a market varies from about 40 percent for the Philippines to between 13 and 15 percent for Indonesia, Malaysia, Singapore and Thailand and to lesser proportions for the other countries. Exports comprise mainly raw and semi-processed products — principally copra, industrial fibres, natural rubber, oil, raw sugar and tin — but during the last few years there has been some increase in exports of manufactured goods, mainly from Singapore.

\* In this item "South-East Asia" comprises Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, South Vietnam and Thailand.



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SOUTH-EAST ASIA (contd)

Table 1 — South-East Asia's Trade with US in Selected Years  
(\$ US million; exports f.o.b., imports c.i.f.)

Country	1962		1966		1970		1971		1972	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Brunei	n.k. (not known)	n.k.	n.k.	5.4	n.k.	n.k.	n.k.	n.k.	n.k.	n.k.
Burma	0.9	9.7	2.0	16.6	0.3	8.9	0.1	5.6	3.3	7.8
Cambodia	5.2	13.8	1.4	2.8	1.2	2.5	0.2	39.5		79.9
Indonesia	135.3	119.9	179.0	65.8	110.7	157.7	181.9	176.4	251.5	259.7
Laos		3.2		4.3	0.2	9.1	0.2	6.9		9.1
Malaysia	127.3	61.0	176.7	50.2	219.9	120.0	218.0	96.9	301.3	143.2
Philippines	280.4	252.7	332.7	325.1	433.3	354.9	452.9	330.6	448.9	353.6
Singapore	92.7	65.8	52.6	68.5	172.3	266.2	207.4	360.1	301.5	464.6
South Vietnam	1.8	97.0	1.0	200.4	0.2	174.1	2.4	326.9	2.3	349.4
Thailand	40.0	91.4	47.9	145.8	95.5	192.8	108.9	183.3	120.1	187.9
Total	683.6	714.5	793.3	884.9	1,033.6	1,286.2	1,172.0	1,526.2	1,428.9	1,855.2
Percent of Total Trade	15.0	14.9	16.8	16.4	16.5	16.0	17.1	16.4	20.1	18.6

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SOUTH-EAST ASIA (contd)

The US usually supplies about one-sixth of South-East Asia's total imports, but in 1972 US imports (valued at \$ 1855 million) accounted for almost one-fifth of total imports. The dependence of individual South-East Asian countries on US imports varies from more than 50 percent in the case of South Vietnam to about 14 percent in the case of Malaysia and Indonesia. Singapore is the fastest-growing market; her share of total US exports to the region increased from 9 percent in 1966 to 25 percent in 1972. The main US exports to South-East Asia comprise machinery and transport equipment, a wide range of manufactured goods, foodstuffs, chemicals, beverages, tobacco, and crude inedible materials.

In terms of the US trading position, South-East Asia at present accounts for only 3.7 percent of US exports and only 2.6 percent of US imports. The region's importance as a market for US goods has not changed greatly during the last 10 years, but its importance as a supplier to the US has declined. We think that there will be comparatively little change in the next few years in South-East Asia's relatively unimportant role in US trade. Higher production costs for synthetic rubber (the main feed-stock of which is derived from oil) as a result of increased oil prices may result in increased US purchases of natural rubber in South-East Asian markets, but this is unlikely to change the general pattern to any great extent.

The main US markets in South-East Asia are Singapore (which, however, received only 0.9 percent of total US exports in 1972), the Philippines (0.7 percent), South Vietnam (0.7 percent), and Indonesia (0.5 percent).

Despite the relative unimportance of South-East Asia in the US import pattern, the region meets a substantial proportion of the US import needs for a few commodities — 95 percent of tin imports, 80 percent of natural-rubber imports, 25 percent of raw-sugar imports, and 100 percent of copra and abaca imports. The region — mainly Indonesia — supplies about four percent of US imports of petroleum and petroleum products. The US produces little tin and no natural rubber, and is very reliant on Malaysia and Indonesia to satisfy her domestic requirements for these two commodities. The US depends on the Philippines for about 12 percent of her total raw-sugar requirements, of which 48 percent is imported. The Philippines supplies almost all US imports of copra — the major proportion of total US consumption.

#### Investment

In the 10-year period to 1972, US investment in South-East Asia grew at a rate of 15.4 percent a year, and in 1972 total US investment in the region was valued at nearly \$ 3067 million (see Table 2).

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SOUTH-EAST ASIA (contd)

Table 2 — US Direct Investment in South-East Asia in Selected Years  
(Book Value at Year End in \$ US Million)

Region	Annual Growth Rate, 1962-72 (percent)	1962	1966	1970	1971	1972
South-East Asia*	15.4	734	1,228	2,152	2,707	3,067
of which Philippines	6.5	375	579	701	718	707
Total Investment Abroad	9.7	37,276	54,799	78,178	86,198	94,031
South-East Asia as Percentage of Total		1.97	2.24	2.75	3.14	3.26

\* Includes some investment in Asian countries outside the region that cannot be specified.

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SOUTH-EAST ASIA (contd)

The main recipients of US investment include the Philippines (where it represents about 80 percent of total foreign investment), Indonesia and Singapore (each about one-third) and Malaysia and Thailand (each between 20 and 25 percent). During the period US investment has tended to become more widely dispersed throughout the region. In the Philippines US investment has grown more slowly than in other Asian countries (at \$ 375 million in 1962 it accounted for 51 percent of US investment in South-East Asia, but at \$ 707 million in 1972 it accounted for less than 25 percent) — mainly because of increased US interest in oil exploration and development, mainly in Indonesia. In 1972 investment in the petroleum industry accounted for 46 percent of US investment in the region, the manufacturing industry for 25 percent, and the mining and smelting sector for 6 percent.

Although US investment is important in South-East Asia, at the end of 1972 it amounted to only 3.3 percent of total US investment abroad.

Economic Aid

The importance of US investment inflows to the economies of South-East Asian countries has been overshadowed by aid inflows; between 1962 and 1972 US economic aid committed to those countries totalled \$ 7686 million, or 14.2 percent of total US foreign economic aid. All South-East Asian countries received some US economic aid, but South Vietnam received by far the largest amount — a total of \$ 3613 million, or 60 percent of total US aid to the region (see Table 3). Other major recipients were Indonesia (\$ 1141 million), the Philippines (\$ 583 million), Laos (\$ 549 million), and Thailand (\$ 436 million).

US economic aid to the region rose steeply between 1962 and 1966 — from \$ 326 million to \$ 901 million — before declining slightly in the following years. It increased substantially again in 1971, but in 1972, at \$ 997 million, it was only 11 percent above that of 1966; and its real worth was almost certainly less because of inflation. Most of the movement was due to fluctuations in aid to South Vietnam, which reached a sharp peak in 1966 but remained high for the next several years as a result of increased US involvement in South Vietnam. There have been other changes — US aid to Indonesia declined in the last part of the Sukarno era and increased sharply in the late 1960s and early 1970s; aid to the Philippines has also increased; aid to Thailand has been less in recent years than in the late 1960s; and Cambodia received substantial aid in 1971 for the first time since the early 1960s.

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SOUTH-EAST ASIA (contd)

Table 3 — US Economic Aid to South-East Asia in Selected Years  
(\$ US million)

Country	1962	1966	1970	1971	1972	Cumulative Total, 1962-72
Brunei			14.0		2.2	16.2
Burma	1.2	0.6	0.4	3.9	1.3	37.1
Cambodia	34.1	*	*	76.8	57.6	191.9
Indonesia	25.7	23.8	205.4	179.9	245.6	1,141.4
Laos	29.4	57.6	53.8	49.5	52.2	549.3
Malaysia	1.6	6.1	4.3	6.2	23.4	84.0
Philippines	28.7	14.6	53.6	124.7	111.8	582.6
Singapore	0.2	0.1	0.2	2.0	12.2	34.1
South Vietnam	156.0	736.5	476.7	575.7	454.6	4,612.8
Thailand	48.7	61.7	32.4	24.8	36.2	436.1
Total	325.6	901.0	840.8	1,043.5	997.1	7,685.5

\* Less than \$ 50,000.

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*ves*  
SOUTH-EAST ASIA (contd)

Several South-East Asian countries rely very greatly on the US as a source of economic aid; in 1972 South Vietnam received 90 percent of her total net aid inflows from the US, Laos 74 percent, Cambodia 72 percent, the Philippines 35 percent, Indonesia 30 percent, and Thailand 29 percent. In 1972 US economic aid represented about 45 percent of total net foreign aid flows to the region, and total US financial flows (including investment) amounted to about 5 percent of regional Gross National Product.

Military Aid

The US is by far South-East Asia's largest supplier of military aid, which between 1962 and 1972 totalled \$ 14,118 million (nearly twice the amount of economic aid) and represented 43 percent of all US military aid abroad. Of this figure, South Vietnam received \$ 11,599 million, or 82 percent; most of the remainder went to Laos (\$ 858 million), Thailand (\$ 745 million), Cambodia (\$ 406 million, mostly since 1971), the Philippines (\$ 298 million), and Indonesia (\$ 110 million) (see Table 4).

Conclusions

South-East Asia is of little economic importance to the US, and this situation seems unlikely to change significantly. On the other hand the US has considerable economic influence in the region, although her importance, as compared with that of other countries, is likely to decline somewhat.

Although US trade is significant for South-East Asia, trade with South-East Asia is not important to the US. Little more than three percent of US trade is with the region, and South-East Asia supplies the US with only two materials — tin and natural rubber — for which the US would have any serious difficulty in finding an alternative source of supply or a substitute product. As a source of oil the region is of only minor importance.

The general trading relationship of South-East Asia and the US is unlikely to change significantly, but the US is likely to increase in importance as a market for the more industrially developed countries of the region, especially Singapore. US investment is likely to continue to increase but will remain small in relation to total US investment abroad. Moreover, the expected increase in other foreign investment in South-East Asia — particularly investment from Japan, which rose from about \$ 60 million in 1962 to some \$ 700 million in 1972 — will tend to make US investment of relatively less importance in probably all of the countries. US aid, both economic and military, to the region is likely to decrease in significance as the US reduces the size of its total aid flows.

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SOUTH-EAST ASIA (contd)

Table 4 — US Military Aid to South-East Asia in Selected Years  
(\$ US million)

Country	1962	1966	1970	1971	1972	Cumulative Total, 1962-72
Burma	15.1	3.4	0.1	0.1		51.0
Cambodia	10.4		8.6	188.1	186.9	406.0
Indonesia	20.4		6.3	33.8	22.9	110.1
Laos	43.1	54.3	74.2	160.8	219.3	858.0
Malaysia		4.2	0.2	2.4	10.6	29.7
Philippines	30.3	29.2	26.0	17.1	18.4	298.1
Singapore					1.9	20.9
South Vietnam	204.2	862.0	1,692.6	1,882.5	2,382.6	11,599.2
Thailand	70.6	31.4	96.8	72.0	55.0	745.1
Total	394.1	984.5	1,904.8	2,356.8	2,897.6	14,118.1

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SECRET

JIO will welcome any comments, or requests for further information, on the items published in this Review.

SECRET



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Minister for Defence

Defence Planning Division  
Joint Staff  
Defence Science Division

  
CLO

Directorate of Naval Intelligence  
Directorate of Military Intelligence  
Directorate of Air Force Intelligence



Department of Foreign Affairs (Intelligence  
Coordination Branch)  
Department of the Prime Minister and Cabinet  
(External Relations and Defence Division)  
Department of Overseas Trade (Overseas Marketing  
Branch)  
Department of Secondary Industry  
Department of the Treasury (Overseas Economic  
Relations Division; Overseas Economic Relations  
Division — Overseas Finance; Defence and Works  
Division)

JIO Representative (Defence), London  
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Ministry of Defence, London  
BDISLO, Canberra

Ministry of Defence, Wellington

DGIS, Ottawa  
SRB, Ottawa

  
State Department, Washington (INR)  


SECRET

SECRET

SECRET



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1365  
After tour d'horizon with Foreign Minister Adam Malik touching on Mid-East, and commented on Muslim Summit at Lahore, Japan, Indochina, Ingersoll ~~stated that Indonesian oil~~ vastly increased Indonesian oil earnings and said he hoped Indonesians were considering using them to replace foreign economic assistance. Malik said that unlike some producer countries which had tripled oil prices, Indonesian had only doubled them and had found that at its imports had just about doubled in price as well, so foreign aid still needed. Malik said he had, however, recently received telegram from Indonesian Embassy Washington alerting him to possibility of future aid reduction. Ingersoll pointed out that this depended on the Congress and, ultimately, on how Congressmen read American public opinion. Ingersoll said he must note that public opinion was turning against foreign aid programs to developing countries that vote with the Arabs in the UN and support Arab oil embargo on US. Ingersoll cited as example of this mood the recent overwhelming vote against <sup>the admittedly increased</sup> DA funding. Malik submitted that Indonesian oil earnings should be compared with country's deep poverty, great needs and large population, and not be compared with earnings of Persian Gulf sheikdoms or lightly-populated Arab countries. Indonesia planned to use increased oil earnings to support second five year plan.

During discussion of January 15-16 disorders and security measures taken by GOI after them, Ingersoll inquired about reports that many newspapers closed and ~~central news services~~ journalists being brought under tighter state control. Malik said newspaper that closures were not permanent and that he had advised against them. Ingersoll expressed concern about how Congress would react ~~to the situation~~ to GOI moves against the press and said he hoped matter would be settled in such a way as not to make his task more difficult when he appears before Congressional committees dealing with foreign aid. Ingersoll noted that he understood that next to Japan, Indonesian had had freest and most active press in Asia and said ~~it was a pity that the~~ GOI crackdown would produce bad impression. Malik agreed and urged Ingersoll to make same point to other <sup>Indonesian</sup> leaders with whom he ~~will~~ would be speaking. Ingersoll agreed to do so, noting that USG ~~want~~ has ~~good~~ excellent relations with Indonesian and did not want anything to interfere with them.

Ingersoll asked what prospects Malik saw for Indonesia to become independent in food production. Malik said not for two or three years.

*Diggs G. ...*  
National Archives of Australia

NAA: A1838, 3034/11/161 PART 17



50.

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- 4 -

3034/11/161

Ocean. Indonesian Foreign Minister, Adam Malik, said that Rush had assured him that the U.S. did not intend to set up a military base in Diego Garcia, but merely repair the harbour on the island. Malik said that he had told Rush that Indonesia had no objections to the presence of a harbour in Diego Garcia, but had warned him not to start an argument in the Indonesian Ocean. It was reported that the Indonesians remained unconvinced by the U.S. assurances.

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EXTERNAL

#### Relations with U.S.A.

3034/11/161

17. The U.S. Assistant Secretary of State for Pacific and Far Eastern Affairs, Kenneth Rush, paid a three-day visit to Indonesia after attending the ANZUS meeting in Wellington. He had talks with the President, the Vice-President, the Foreign Minister, the Minister for Finance and the Economy, and the Head of Pertamina. He said in Jakarta that the U.S. did not seek to make the Indian Ocean a sphere of single power influence. The U.S. was reducing its military forces abroad, including about 45 percent of its navy; it was for this reason that it was improving its facilities to maintain its ships passing through the Indian

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2

DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

49  
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LFG 1

I.20835

FROM

TOD 12.2.74..0845 LT

AUSTRALIAN EMBASSY  
JAKARTA

TOR 12.2.74..1255 LT

678 UNCLASSIFIED

DIEGO GARCIA (UNDERLINED)

OUR 662.

FOLLOWING IS UNOFFICIAL TRANSLATION OF EXTRACTS  
DEALING WITH DIEGO GARCIA FROM SPEECH BY PRESIDENT  
SOEHARTO ON 9 FEBRUARY.

2. BEGINS "INDONESIA FOLLOWS THIS MILITARY ACTIVITY WITH  
CONCERN", SAID THE PRESIDENT ON SATURDAY MORNING WHEN  
HE INSTALLED FOUR INDONESIAN AMBASSADORS AT THE  
NATIONAL PALACE. "SUCH STEPS ARE CLEARLY NEGATIVE IN  
RELATION TO OUR WISHES, AND DO NOT HELP TOWARDS THE  
DEVELOPMENT OF PEACE AROUND THIS AREA".

3. INDONESIA FELT DISTURBED BY ANY KIND OF NEW MEASURE, FROM  
WHATEVER QUARTER, WHICH TENDED TO ADD TO OUTSIDE MILITARY STRENGTH  
AROUND THE HOMELAND, ESPECIALLY THAT WHICH WENT BEYOND THE  
NECESSITIES OF SELF-DEFENCE. IT WAS NOT POSSIBLE THAT  
PEACE WOULD COME WITH THE REINFORCING OF MILITARY STRENGTH.  
INDONESIA WANTED PEACE AND STABILITY IN THE AREA AROUND  
HER IN ORDER TO FURTHER THE DEVELOPMENT OF NATIONS IN THE  
AREA. ENDS.

A/PRIME MINISTER  
FOREIGN MINISTER  
FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
J.I.O.  
PM'S

F 3034/11/161

3034/9/8 ✓

3034/7/4 ✓

ACTION : DP/SEA

SEC DEPSECS EX MCO FAS(SA) SEA MN FAS(NWA) NA WAME

FAS(PW) PC ECSA FAS(DEF) DP IC ICR FAS(10) UNIA FAS(CL)

FAS(MS)



+8

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DEPARTMENT OF FOREIGN AFFAIRS

**INWARD CABLEGRAM**

GMJ3

1. 19958

FROM

TOD 09.02.74...1040L

AUSTRALIAN EMBASSY  
JAKARTA

TOR 09.02.74...1509L

662 RESTRICTED

DIEGO GARCIA.

THE FOLLOWING STATEMENT BY FOREIGN MINISTER MALIK IS FROM ANTARA  
BULLETIN, 9 FEBRUARY:-

"JAKARTA, FEBRUARY 8 (ANTARA). - THE INDONESIAN GOVERNMENT  
TODAY DEPLORED THE SUPER POWERS WHICH DO NOT UNDERSTAND THE WISHES  
AND EFFORTS OF MANY COUNTRIES TO MAKE THE INDIAN (INDONESIAN) OCEAN  
AS A PEACE-ZONE.

THIS REGRET WAS SOUNDED OUT BY FOREIGN MINISTER ADAM MALIK  
WHEN ASKED FOR HIS COMMENT ON THE EFFORTS OF THE UNITED STATES TO  
EXTEND ITS MILITARY BASES IN DIEGO GARCIA ISLAND IN THE INDIAN  
OCEAN.

MINISTER MALIK POINTED OUT THAT THE SUPER POWERS DO NOT  
UNDERSTAND THE VIEWS WHICH HAVE OFTEN BEEN EXPRESSED CLEARLY BY  
MANY COUNTRIES, INCLUDING INDONESIA IN THE UNITED NATIONS FORUM.

IF THE MOTIVE BEHIND THE EXTENSION OF THE AMERICAN MILITARY  
BASES IN THAT ISLAND WAS THE EXISTENCE OF SOVIET MILITARY BASES  
IN THAT OCEAN THIS WOULD THEN LEAD THE OCEAN NOT TO PEACE BUT TO  
A ZONE OF RIVALRY, MALIK ADDED."

2. U.S. EMBASSY ACCEPTS THAT STATEMENT IS THE "IRREDUCIBLE  
MINIMUM" BY INDONESIAN GOVERNMENT IN VIEW OF INDONESIA'S  
POSITION ON INDIAN OCEAN ZONE OF PEACE FREEDOM AND NEUTRALITY.

(F) RI-USA  
3034 11/161

..2..

DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

132

GMJ3

..2..

1.19958

A/PRIME MINISTER  
FOREIGN MINISTER  
FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
J I O  
PM'S

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ACTION : DP

SEC DEP SECS EX MCO FAS(SA) SEA MN FAS(NWA) NA WAME  
FAS(PW) PC ECSA FAS(DEF) DP IC MR LOVEDAY ICR FAS(IO)  
UNIA FAS(CL) FAS(MS)

COLOMBO DAR ES SALAAM ISLAMABAD KUALA LUMPUR LONDON MOSCOW  
NAIROBI NEW DELHI PEKING SINGAPORE TEHERAN WASHINGTON





CONFIDENTIAL 7

AUSTRALIAN EMBASSY  
DJAKARTA

221/5, 2  
In reply quote No. ....  
Memorandum No. 141

5 February 1974.

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

3034/11/161

U.S. AMBASSADOR'S FAREWELL CALL ON PRESIDENT

Attached for your information is a copy of the  
U.S. Embassy's telegram 0984 of 28 January reporting on  
the U.S. Ambassador's farewell call on the President.

*J. W. Arriens*

(J. W. Arriens)  
First Secretary

*In Chamber  
In Office  
In Office  
Mr. [unclear]*

*6/2/74*

*F 3034/11/161  
E 3034/11/161*

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Classification

Department of State

TELEGRAM

JAKARTA: 0984

JAN 23, 1974  
0855

240155Z JAN 7

NO CATEL  
☐ COLLECT  
☐ CHARGE TO

## DISTRIBUTION

ACTICE: SECSTATE WASHDC 499

INFO: DOD  
CINCPAC

JAKARTA CONFIDENTIAL 0904

AMB  
D-M  
TOL-2  
E/CM-2  
SA  
DAO  
DAG  
AID  
CHRON

E.O. 11652 GDS

TAGS: INRG, PINT, ID

SUBJECT: Farewell Call on President Suharto: His

Comments on Recent Riots; U.S. Military

Assistance; Oil Crisis; Island Meeting, XHE

REFS: A. Jakarta 0982 B. Jakarta 0985

CINCPAC FOR POLAD

1. Paying farewell call on President Suharto January 23, I found him undeterred by recent disorders (though soberly determined to avoid their happening again) and enthusiastic about accomplishing during the second five-year plan the more even distribution of fruits of development and response to social needs which he conceded had been largely missing in first five-year development effort.

DRAFTED BY:

AMS:RIGalbraith:lm

DRAFTING DATE:

1/23/74

TEL. EXT.

200

APPROVED BY:

The Ambassador

CLEAN COPY

Seen in draft:

DCM: Mr. Toussaint

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Classification

Page 2 of

MMH

2. Suharto explained at some length to me his government's determination to secure greater participation by pribumi (ethnic Indonesians) in both domestic and foreign investment fields in which heretofore non-pribumi (ethnic Chinese) have dominated. He played back to me in considerable detail and evident enthusiasm announcement which followed Economic Stabilization Council meeting January 22 of new measures designed to reduce gap between have's and have not's (reftel).<sup>A</sup> Suharto's emphasis was, however, almost entirely on shifting of shares in domestic and joint enterprises to native Indonesians (he did not touch on statement, reported<sup>A</sup> reftef, of revised behavioral standards for officials). Replying to my question, he said this shift would be accomplished through credit from government financial institutions for acquisition of shares by pribumi.

3. Recent disorders. Suharto said students and others had taken advantage of government's liberal extension of democratic rights and that certain elements for political and personal interests had exploited these in way which had given rise to recent break down of order in Jakarta. These rights would henceforth be restricted and campus and news media would be regulated in way which would

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Classification

3

Page of

DATE

prevent this happening again and which would protect and insure continued development effort.

4. Suharto expressed his appreciation for help United States had given Indonesia and for my role in this regard. He laid special emphasis on value to Indonesia of U.S. military assistance which he said would be of continuing great importance to Indonesia. He said he was convinced that continuation of this assistance would depend on President Nixon's overcoming domestic difficulties and legal restrictions on such assistance. He asked me to send President Nixon his special regards.

5. Oil crisis. We discussed at some length economic implications of oil boycott and high prices with Suharto agreeing to observations I made on serious and potentially damaging (for all concerned) economic implications of current situation. I mentioned to Suharto that I had discussed this matter briefly with Pertamina President Director Ibnu Sutowo couple of days ago who had been critical of fact that United States, rather than someone else, had proposed consumers-producers meeting (reftel B). I pointed out that our move in calling for meeting had been predicated in part on our feeling that no one else would take what

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seemed to us necessary action. Suharto appeared to agree.

6. Islamic meeting at Lahore. I asked Suharto if he would attend meeting of the Islamic countries in Lahore in February. He said he would not be going because Indonesia was not an Islamic state and, although there were matters on agenda in which Indonesia was interested such as establishment of Islamic bank, it did not appear that there was sufficient agreement among other countries, especially Arabic countries who would be principal donors to bank, which would make decisive action possible.

7. Suharto also referred to domestic situation which impliedly he did not feel would allow his absence at this time.

7. At the conclusion of our talk Suharto said that he was happy that there were no real problems in Indonesian/

American relations. He again expressed appreciation for American help to Indonesia.

GALBRAITH

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DEPARTMENT OF FOREIGN AFFAIRS

OUTWARD CABLEGRAM

KJB10

0.008969

TO

TOD 22.1.74...2144 LT

AUSTRALIAN EMBASSY  
WASHINGTON...388

REPEATED

AUSTRALIAN EMBASSY  
JAKARTA...466

AUSTRALIAN EMBASSY  
TOKYO...220

SECRET

ADDRESSED WASHINGTON 388 REPEATED JAKARTA 466,  
REPEATED TOKYO 220.

INDONESIAN STABILITY

YOUR 370.

WE ARE CONCERNED THAT THE UNITED STATES ADMINISTRATION  
IS SHOWING SIGNS OF "SERIOUS DOUBTS" ABOUT THE STABILITY  
OF THE SOEHARTO REGIME.

WE FEEL THAT THIS IS PREMATURE AND THAT A JUDGMENT OF THE  
DURABILITY OF THE SOEHARTO GOVERNMENT MUST AWAIT SOEHARTO'S  
RESPONSE TO THE PRESENT SITUATION. WE WOULD ACKNOWLEDGE  
THAT THERE ARE PROBLEMS OF DIVIDED LOYALTIES IN THE ARMED  
FORCES AND THAT GENERAL SOEMITRO IS IN A POTENTIALLY  
PRECARIOUS POSITION. WE ALSO RECOGNIZE THAT THE RELIABILITY  
OF SIGNIFICANT SECTIONS OF THE ARMED FORCES MAY NOW BE  
IN QUESTION. HOWEVER, WE BELIEVE THAT THE OVERALL SITUATION  
IS STILL CONTROLLABLE, AS IT HAS PROVED TO BE IN THE  
PAST.

2. A MATTER OF GREATER CONCERN FOR US OVER THE NEXT FEW YEARS  
WILL BE THE !NDONESIAN GOVERNMENT'S APPROACH TO GROWING  
SOCIAL AND ECONOMIC PROBLEMS, PARTICULARLY IN URBAN AREAS.  
THE GRADUALIST STYLE OF SOEHARTO COULD MEAN THAT THE POLITICAL  
RESOLUTION TO TACKLE THESE PROBLEMS WILL BE LACKING.  
AT THE SAME TIME THIS GRADUALIST APPROACH MAY BE DICTATED  
NOT ONLY BE PERSONAL IDIOSYNCRACY BUT EVEN MORE BY THE  
CONTINUING LACK OF A NATIONAL CONSENSUS AND THE NEED TO  
BALANCE CONFLICTING SOCIAL, RELIGIOUS AND ETHNIC TENSIONS.  
THE ENERGIES OF ANY INDONESIAN GOVERNMENT COULD THEREFORE  
TEND TO BE CONSUMED SOLELY IN POLITICAL MANAGEMENT.

.../2

*Mr Liddle 23/1*  
*Mr Bragg*  
*(F) - Pol Gen*  
*- US - Ind. rels.*

*GRB 13/2*

*2034/2/1*

*2034/2/1*

*2034/11/101*



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DEPARTMENT OF FOREIGN AFFAIRS

OUTWARD CABLEGRAM

KJB10

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0.008969

3. WE WOULD BE GRATEFUL IF YOU WOULD PUT THESE POINTS TO RELEVANT UNITED STATES AUTHORITIES.

4. WE WOULD ALSO BE GRATEFUL FOR FURTHER UNITED STATES ASSESSMENT OF THE SITUATION, WITH PARTICULAR REFERENCE TO THE INDONESIAN ARMED FORCES. THE UNITED STATES, THROUGH ITS MILITARY ASSISTANCE PROGRAM, HAS A CLOSE KNOWLEDGE OF THE ARMED FORCES AND INFORMATION IN THIS AREA WOULD BE HELPFUL TO US.

PRIME MINISTER  
FOREIGN MINISTER  
FOREIGN AFFAIRS (3034/2/9)  
MIN AND DEPT DEFENCE  
J.I.O.  
PM'S

ACTION: SEA

SEC DEPSECS EX MCO FAS(SA) SEA MN FAS(NWA)  
NA WAME FAS(PW) PC ECSA FAS(DEF) DP IC ICR  
FAS(IO) FAS(CL) FAS(MS)

SEOUL KUALA LUMPUR SINGAPORE MANILA WELLINGTON LONDON  
PORT MORESBY PEKING

SECRET

SECRET

CENTRAL REGISTER  
D.E.A.

DEC 5 4 00 PM '73

NOM. INDEX. SUBJECT



EMBASSY OF AUSTRALIA

CONFIDENTIAL

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IN REPLY QUOTE: 221/11/9  
221/11/11/2

Secretary,  
Department of Foreign Affairs,  
CANBERRA.

Memo No: 3505

30 November 1973

*M. L. ... 6/12*  
*... 7/12*

UNITED STATES RELATIONS WITH INDONESIA AND MALAYSIA

During a conversation with Heavner (Director, Indonesia, Malaysia, Singapore Affairs, State Department) on 28 November, he mentioned that one of the main problems the United States had with Malaysia and Indonesia was over the right of passage through the Straits of Malacca. There had been a number of recent incidents (he mentioned in particular the USS Hancock) when both Governments had protested over the United States failure to notify the movements in advance. Heavner doubted if the Law of the Sea Conference would be able to come up with a solution which would accommodate the differences between the various governments over the right of passage through the Straits.

2. Heavner added that he had been surprised that the Indonesians had publicly criticised the United States over the USS Hancock, yet had not made public reference to previous movements of Soviet ships through the Straits.

Indonesia : Aid

3. Heavner said the United States had been forced to renege on its pledge of food aid for Indonesia this year. There was no rice available for purchase by the United States Government under PL480. The commercial price of rice had risen from \$200 to \$700 a ton this year and there was no surplus as the world shortage meant that there were commercial buyers for all of the crop.

4. Heavner said that while it was unfortunate that the United States could not fulfill its commitment, the situation had been made less serious by the vast increase in Indonesian foreign reserves which had resulted from higher oil prices. The increase in the price of a barrel of Indonesian oil from \$3 to \$6 this year had boosted Indonesia's foreign reserves to over \$800 million. In addition, the rice situation in Indonesia had stabilised, even though the local price was still high.

5. Heavner said that no decision had yet been made on the United States pledge for aid to Indonesia next year. The United States usually announced its intentions at the December meeting of the IGGI. A submission containing various options was now with President Nixon, but Heavner would not volunteer details. He added that he thought the aid target of \$850 million which the recent IBRD survey team recommended had been a bit high, but IGGI was stuck with it.

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...../2.



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CONFIDENTIALRelations with China

6. Heavner said he expected the talks between Malaysia and China over normalisation of relations, which had recommenced in New York, to proceed fairly smoothly from now on. We mentioned the remarks that had been made to the Prime Minister during his visit to Peking about China's policy towards overseas Chinese, but Heavner said he was far from convinced about China's sincerity. In answer to a question, Heavner said the United States had no quarrel with other countries normalising their relations with China. However, there were many dangers in this for the Malaysians who, he thought, were "moving with undue haste". We responded that Australia, while aware of the difficulties that faced countries such as Malaysia, Singapore and Indonesia on the domestic front, encouraged countries in the region towards a greater acceptance and awareness of China. The establishment of relations between them would promote rather than diminish the prospects for peace and stability.

7. A copy of this memorandum has been sent to Kuala Lumpur and Jakarta.

*Peter M Timmins*  
(P.G. Timmins)  
First Secretary

CONFIDENTIAL

DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

Wentworth 6872 of 7/12/73.

SMM7

I.142835

- 2 -

(F) THE NOMINATION OF ARTHUR A. HARTMAN, 47 (MINISTER COUNSELLOR AT THE UNITED STATES MISSION TO THE EUROPEAN COMMUNITIES COMMISSION IN BRUSSELS) TO BE ASSISTANT SECRETARY OF STATE FOR EUROPEAN AFFAIRS.

(G) THE NOMINATION OF DAVID H. POPPER, 61 (ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANISATION AFFAIRS) TO BE AMBASSADOR TO CHILE.

(H) THE NOMINATION OF WILLIAM B. BUFFUM, 52 (AMBASSADOR TO THE LEBANON) TO BE ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANISATION AFFAIRS.

(I) THE NOMINATION OF DAVID D. NEWSOM, 52 (ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS) TO BE AMBASSADOR TO INDONESIA.

NEWSOM IS AN ARABIST WHO HAS SERVED IN KARACHI, OSLO, BAGHDAD AND LONDON.

HE WILL SUCCEED FRANCIS J. GALBRAITH WHO IS RETIRING.

(J) THE NOMINATION OF DONALD B. EASUM, 50 (AMBASSADOR TO UPPER VOLTA) TO BE ASSISTANT SECRETARY OF STATE FOR AFRICAN AFFAIRS.

(K) THE NOMINATION OF THOMAS O. ENDERS, 42 (CHARGE D-AFFAIRES IN PHNOM PENH) TO BE ASSISTANT SECRETARY OF STATE FOR ECONOMIC AND BUSINESS AFFAIRS.

HE WILL SUCCEED WILLIS C. ARMSTRONG WHO IS RETURNING TO PRIVATE LIFE. (ENDERS' NEW APPOINTMENT LENDS CREDENCE TO A VIEW WE HAVE HEARD IN STATE DEPARTMENT THAT ONE OF THE REASONS FOR THE DELAY IN APPOINTING AN AMBASSADOR TO CAMBODIA HAS BEEN THAT ENDERS HAD BEEN DOING SO WELL THERE.

2. ON 5 DECEMBER, PRESIDENT NIXON ANNOUNCED THE NOMINATION OF :

(A) FRANCIS T. UNDERHILL, 52. TO BE AMBASSADOR TO MALAYSIA.

HE WILL SUCCEED JACK W. LYDMAN WHO IS RETIRING.

UNDERHILL SERVED IN MEDAN AND JAKARTA FROM 1952 TO 1955, WAS ON THE INDONESIAN DESK IN STATE DEPARTMENT FROM 1955 TO 1959.

HE SERVED IN WARSAW FROM 1959 TO 1961 AND IN KUALA LUMPUR FROM 1961 TO 1963.

HE WAS DEPUTY DIRECTOR, SOUTH PACIFIC AFFAIRS FROM 1964 TO 1966, COUNTRY DIRECTOR FOR INDONESIA FROM 1966 TO 1968, POLITICAL COUNSELLOR IN MANILA FROM 1968 TO 1971, AND HAS SINCE BEEN DCM IN SEOUL.

.../3

3034/11/161



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Saw 80 from Jakarta 19 10.73

CONFIDENTIAL

EXTERNAL

DEPARTMENT OF FOREIGN AFFAIRS

Relations with U.S.

3034/11/161

13. In response to the announcement that the U.S. will be unable to provide Indonesia with any 12,480 food aid for the remainder of 1973, Indonesia's Ambassador to the U.S., Sjarid Thayib, returned to Jakarta on 5 October

for consultations. The decision was not unexpected, but leaves Indonesia vulnerable in the event of a bad dry season rice crop this year. Current indications, however, are that with the high rains the crop will be a good one, and this may be behind the U.S.' apparent decision to give priority to Indo-China.

14. The Minister for Trade, Radius Prawiro, said on 4 October that Indonesia's Ambassador to the U.S. had been instructed to renew representations to the U.S. to discontinue the release of its rubber stockpile.

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P.M.'s visit to US  
Background brief  
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INDONESIA

12/15/73

In mid-1973, Indonesia's condition can be summarised as the following.

2. The total armed opposition to the government in Indonesia probably numbers under 1,000 men. Indonesia has never known a comparable degree of internal peace, security and effective unity. The government is not generally unpopular, although sectional groups outside the main stream of developments are resentful of their exclusion; there is also some resentment of the ostentatious self-enrichment of many of the generals. The government is not particularly repressive by the standards of developing countries and Indonesia's own traditions. Criticism by the press and public figures of the government and of its ideology is allowed within fairly broad limits. The government remains heavy handed in its repression of communism and still holds some 35,000 of the 150,000 or so persons interned in 1965-67. Although the Army is the core of the regime, the government's priorities are civil ones, the majority of cabinet are civilians, only about 5% of the GNP is spent on the military and the size of the armed forces is being halved. Indonesia remains one of the poorest countries in the world on a per capita basis, and its run-away population growth is crippling, but the economy has been well managed for the past several years, despite an increasing risk of distortions due to the use of political power to enrich individuals. The coming rice shortage will cause a major set back to the economy and may cause some political turmoil. Our medium term expectation is for a continuation of the present regime, or a very similar successor, and a continuation of the current program of economic and social modernisation.

3. As to international relations, Indonesia's relations with its South East Asia neighbours are better than ever before and acquiring real intimacy. - Indonesia is the main driving force behind regional attempts through ASEAN and ZOPFAN to develop greater self reliance and mutual support in the economic, security and other fields. These moves are gathering momentum, although their concrete substance is still small. Australia welcomes them and will support them where appropriate. On the debit side, Indonesia's formal attitude towards China remains one of mistrust and rigidity. Its attempts to date to discourage other South East Asia countries from normalising relations with China run counter to our views of the real interests of these countries. We are aware, however, of secret contacts between Indonesia and China which suggest that the Indonesian attitude might change earlier than appearances would lead one to expect.

Department of Foreign Affairs,  
CANBERRA.

July 1973

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4. Divergencies in our approach to China, and adverse public opinion in some circles in Australia over the continued detention of communist suspects are the only significant blemishes in our bilateral relationship. Any realistically conceivable alternative order in Indonesia would be less desirable from our point of view, although we would have to find ways of living with Indonesia however it was ruled. Indonesia has first call after PNG on our economic aid. We also have a sizeable Defence Co-operation program. Our trade and investment is growing fast, and there is a vast network of other official and private interaction.

Indonesian Relations with the United States

5. For the United States, Indonesia is one of the models of the Nixon Doctrine, a country which is making effective use of United States aid to develop its indigenous strength without involving the United States in any commitment. The United States also values Indonesia's endeavours to promote co-operation and self-reliance amongst the ASEAN countries.

6. For Indonesia, the United States is a supplier of economic aid, military aid and private investment on a scale which is vital to the attainment of Indonesia's domestic economic objectives, and hence, to the political stability of the regime. At the same time, Indonesian leaders see the United States military and economic role in South East Asia as providing a vital underpinning of the regional countries' hopes of achieving national and collective resilience, and of resisting the extension of Chinese political influence and the risk of Japanese economic domination.

7. Indonesian attachment to the forms of an independent and active (i.e. non-aligned) foreign policy, and the "low posture" scrupulously maintained by the United States in Jakarta, mask a very close relationship, based on a shared conviction that the two countries' policies and performance serve each other's national interests.

Department of Foreign Affairs,  
CANBERRA.

July 1973

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TELEPHONE: (202) 797-3000  
TELEGRAPHIC ADDRESS: AUSTEMBA  
TELEX: W. U. 089801

SECRET

1601 MASSACHUSETTS AVE.  
WASHINGTON, D. C. 20036



EMBASSY OF AUSTRALIA

IN REPLY QUOTE: 221/11/1/1

Memorandum No. 2455/73

17th August, 1973

The Secretary,  
Department of Foreign Affairs,  
CANBERRA

United States Forces in Asia - F-5E Program  
(Your file 693/8)

Please refer to your memorandum No. 778 of 27 June, 1973.

2. Because of prior commitments we were unable to discuss your questions with the State Department's Bureau of Politico-Military Affairs until 16 August. Meanwhile, the Air Attache's staff had prepared the attached comments on the F-5E program which you may find of interest.

3. On 16 August, we discussed these questions with Mr Leslie Brown, Deputy Director of International Security Policy and Planning in the State Department's Bureau of Politico-Military Affairs. He confirmed that the first F-5E aircraft were now coming off the production line and being delivered to the USAF. However, as far as Brown was aware, USAF did not yet have an operational squadron of F-5Es. In recent weeks there had also been renewed activity within the Bureau on F-5Es which indicated that deliveries of the aircraft to other countries were now in the offing.

4. Brown understood that the top priority for overseas deliveries was still South Vietnam. He said that an attempt to replace the existing F-5As in South Vietnam by F-5Es would "be given a go". If this proved impossible for political reasons, then the earlier alternative arrangements would be made to deliver F-5Es to those countries which had provided F-5As to South Vietnam.

5. Brown confirmed that the program for the assembly of F-5Es in Taiwan was under the way but he added that there were now some fears that the decision to agree to this project to Taiwan might have been a mistake. The main concern was the extra cost which it now appeared this project would entail. Brown also conceded that there were some political misgivings particularly in relation to the United States relations with China.

6. Brown had not seen any reference to Jordan being given top priority for the F-5Es (your memorandum No. 778 paragraph 2(a)). He did not exclude the possibility that King Hussein might have worked out a private deal with the White House but if that was the case, the State Department was unaware of it. Brown believed that the Bureau of Politico-Military Affairs would recommend strongly against any move to give Jordan top priority.

*Mr. Brown  
Mr. White  
28/8 227/8  
Copies sent to  
reference, J10,  
Canberra, SE Asia  
(Asia and N.A.)  
IE.*

National Archives of Australia

NAA: A1838, 3034/11/161 PART 17



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7. Brown had not heard of any interest from Singapore yet in the F-5Es and thought that with the A-4Bs which it had undertaken to purchase there was no need for F-5E's.

8. With regard to Indonesia, he confirmed the advice we had reported earlier that there were definitely no plans for the United States to give any F-5Es to Indonesia. As Brown had pointed out to us earlier in connection with the F-5Es to Latin America (see our memorandum No. 1813 of 20 June, 1973) there was little prospect of Indonesia obtaining Foreign Military Sales credits to purchase any F-5Es. Moreover, if such credits were available (which was unlikely given the demands of Israel and others) the State Department would be most reluctant to approve any such sales.

9. We are sending copies of this memorandum with attachment to Hong Kong, Jakarta, Saigon, Singapore and Beirut. In view of Circular Memorandum No. 63/73 we have not copied this to Peking.

(M.G. Williams)  
Counsellor

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DEPARTMENT OF FOREIGN AFFAIRS

# INWARD CABLEGRAM

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AUSTRALIAN EMBASSY  
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ADDRESSED CANBERRA 1593 REPEATED WASHINGTON 51 JAKARTA 62

ON SUBJECT OF CAMBODIA, SIGIT (INDONESIAN AMBASSADOR) TOLD ME  
17 AUGUST THAT INDONESIANS HOPED TO PERSUADE KISSINGER TO VISIT  
JAKARTA ON HIS WAY TO PEKING.

....CRITCHLEY.

PRIME MINISTER  
MINISTER OF STATE  
FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
JIO  
PM'S

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ACTION: MN

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SEA	MN	FAS(NWA)	NA	WAME	FAS(PW)	PC	ECSA	FAS(DEF)
DP	IC	FAS(DVP)	ICR	FAS(IO)	FAS(CL)	FAS(MS)		



## Indonesia

## It's all smiles

By O. G. Roeder

Paradoxically, relations between the US and Indonesia are in reverse proportion to the activities of the US propaganda machine: when the propaganda apparatus operated in high gear and US authorities delivered fine speeches once a day, relations were at their lowest. Now, US policy towards Indonesia is low key and there are fewer speeches, brochures and pamphlets. It's all smiles — with the exception of occasional protests from Indonesia against releases of tin and rubber from the US strategic reserves which upsets prices on the world market.

The change from mutual suspicion — and often open clashes — in the last years of the Sukarno period to a friendlier approach is clearly visible, even in the sensitive military sector. On May 23, 1973, the US destroyer "John R. Perry" was handed over to the Indonesian Navy as part of Washington's US\$18 million military aid. Under this programme, it has also promised 21 Dakota aircraft, twelve helicopters and a squadron of T-33 jet trainers.

The delivery of military hardware will not make Indonesia a military power overnight. But they are an indication of the growing interest of the US in Indonesia's strategic position and its possible role in what is termed the "South-east Asian peace strategy."

At the same time, the acceptance of military aid, although still limited, clearly indicates Jakarta's policy to improve the quality of the armed forces while reducing their numbers from 300,000 to 200,000 men. There are no protests in Indonesian newspapers against what was formerly called "subversive attempts to establish US military bases." In this context, however, President Suharto said during the visit of US Vice-President Spiro Agnew in February that the principle of national resilience must be the key to stability and security in Southeast Asia.

In the fields of aid, trade and investment, the US plays an important if not dominating role. This includes direct commitments as well as activities through the Inter-Governmental Group on Indonesia (IGGI), the World Bank, IMF and various other international agencies. Practical cooperation is shown by the fact that most of Indonesia's bright young technocrats, the policymakers in the economic field, have been educated and trained in America.

The US was the second biggest importer from Indonesia (after Japan) during the 1967-1971 period with an annual share of 15% of total exports. Indonesian exports to America in 1971 and 1972 were equivalent to its total exports to Europe.

From 1970 until 1972, Indonesia's exports to the US rose by 23% annually and had a total value of \$180 million in 1972. US exports to Indonesia were estimated at \$300 million last year.

While US exports are mainly machinery and other equipment, Indonesian exports had their strongest base in natural oil which comprised 44% of total exports (rubber 22%, coffee 12%, pepper and coconut oil about 5% each). The volume of natural oil exports to America in 1972 doubled the amount in 1970. From 1977, liquefied natural gas could become Indonesia's most important export commodity to the US.

The strong interest of private US businessmen in investment was demonstrated in April when a prestigious group of

## In Jakarta's newest business district, we built the finest luxury hotel in all of Indonesia: The President Hotel.



The President Hotel, on Jalan Thamrin, in the heart of Jakarta's business and commercial district, sets a new precedent in world-wide hotel standards. With 354 fully air-conditioned rooms that comprise singles, twins and suites, the President provides every facility and amenity: There's a choice of three restaurants. Serving superb Chinese, Japanese and Continental cuisine. There's a Coffee House and Grill. And cosy, intimate bars where you can relax with your favourite drink. The President Hotel is truly a sumptuous self-contained world. For business, there's a full-size Banquet Hall that offers every facility for conventions, banquets and other important functions. And for leisure, there's the convenience of a shopping arcade that lets guests shop right on their doorstep. For all enquiries and bookings, call your nearest Japan Airlines office. Anywhere.



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JAL HOTEL SYSTEM

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55 American bankers and businessmen visited Indonesia as part of a Southeast Asian tour. There were several meetings with Indonesian ministers and also with President Suharto, leading to hopes for substantial commitments, especially in the field of transportation and communications.

There is a general feeling that the US believes in Indonesia's possibilities and willingness to play a greater role in Southeast Asia in the post-Vietnam War period.

## Malaysia

### Neutral stance

By M. G. G. Pillai

There is a general belief that Malaysia's swing from a pro-Western foreign policy to a more neutral stance has led to a businesslike approach to US-Malaysia ties. But the relationship, according to both American and Malaysian officials, remains cordial. There are few direct political problems to create suspicions, although their views on regional issues, particularly Indochina, remain divergent.

The Watergate scandal has hardly caused a ripple here, although local newspapers continue to report every aspect of the issue which Malaysian officials believe has already undermined the credibility of President Nixon. Still, there is considerable sympathy for him. One official even suggested that every country has its own Watergate, but what he considered significant was the fact that so much was being bared in public, and the government could do nothing to prevent it.

The main impetus to American-Malaysian ties is trade. The Malaysian Ambassador to the United States, Mohamed Khir Johari, said in New York recently that Malaysia's trade pattern has undergone radical changes, particularly with the United States. Last year, the US was Malaysia's third largest trading partner replacing the United Kingdom and the third major supplier of goods, particularly machinery and equipment.

One difficulty in comparing figures is that the US, like most manufacturing countries, classifies its exports by initial destination while the Malaysians classify by country of origin. Thus, US exports to Singapore for re-export to Malaysia would be entered into American books as exports to Singapore, but the Malaysians would treat the same item as part of its trade with America.

According to US figures, it expanded its share of the Malaysian import market from 6.6% in 1971 to 8.8% last year. Total US exports to West Malaysia last year were 60% higher than in 1971, but this included seven Boeing 737s bought by the Malaysian Airline System. And while Khir remains convinced of increased trade, American officials say that a single sale of this size is unlikely to be repeated this year, and US exports may be hard put to maintain their share of the market.

Khir believes that US goods will be more competitive on local market following the two US dollar devaluations. According to American figures, Malaysian exports to the US showed a US\$13 million rise to \$254.35 million last year while imports from the US rose from \$84.65 million in 1971 to \$136.17 million last year.

A recent American Embassy survey of business in Malaysia showed that total American investment has reached \$379 million, almost double the \$200 million shown by a similar survey five years ago. But Malaysian trade officials say that American businessmen have been slow to respond to Malaysian industrialisation efforts.

JULY 9, 1973

## New Zealand

### Appalling gaffe

By Denis Wederell

Three months ago a manufacturers' spokesman described as "absolute codswallop" the notion that the United States would reduce the protection of its dairy industry in return for tariff reductions (on industrial goods principally) by New Zealand. Today it is a different story. Rising food prices in America, and the Nixon Administration's hopes of lowered tariffs in Europe against wheat, corn, barley and soya beans, are two of the major reasons for the change.

But in March this year, J. D. Bull, Vice-President of the New Zealand Manufacturers' Federation, said that "to suggest the United States would give our dairy farmers entry to a market of 200 million people in exchange for a consumer market of 3 million is just so much nonsense. You would hear the American farmers' cries of anguish from here."

Now, however, in his economic statement to Congress, President Nixon has endorsed what the Trade Reform Bill seeks and confirmed what US diplomats here have been signalling for some time: the United States Administration has made a major policy change on imports of farm produce to strengthen its bargaining position on agricultural trade at the General Agreement on Tariffs and Trade (GATT) negotiations which begin in Tokyo in September.

Robert Muldoon, now Deputy Leader of the Opposition, was one who rose to the bait laid by the United States charge d'affaires, Benjamin Wood, earlier this year. There was no case for New Zealand opening its markets to countries which for purely political reasons shut out, or limited, trade in New Zealand's main products, he said.

The dairy industry of this country is concerned that Congress, seeking some way to bring Nixon to heel because of the Watergate disclosures, will deny him what he wants at the GATT. It is not alone in that concern.

America's other complaint is New Zealand's import licensing policy which protects manufacturing industries. One-third of this country's total imports by value is still subject to licensing, and under a Labour Administration there is likely to be little, if any, reduction in the level of protection. The only possible movement would be towards more protection.

Nevertheless Japan, which has no tariff advantages over the United States, manages to secure a greater share of the New Zealand market each year and last year moved ahead of the United States to take third place. Sales amounted to NZ\$118 million, compared with America's \$113 million.

The US, notwithstanding its restrictive measures against New Zealand beef and dairy products (except casein), is the second major export market after Britain. It is a big customer for carpet wools, against which no barriers are raised, although the high prices reached at auction this year (an aver-

New Zealand Trade — 1972

(NZ\$ million)	Imports	Exports	Total
Britain	325.0	377.2	702.2
Australia	238.2	105.8	344.0
United States	113.0	197.7	310.7
Japan	118.3	103.3	221.6

	Four-Year Trade Growth (in percentages)			1972 (calendar year)
	1969	1970	1971	
Britain	30.4	28.0	28.9	29.5
Australia	19.7	20.9	21.0	21.6
Japan	8.1	8.2	10.2	10.7
United States	12.5	13.0	12.1	10.3

FAR EASTERN ECONOMIC REVIEW

FAR EAST



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AUSTRALIAN EMBASSY  
DJAKARTA

In reply quote No. 201/2

Memorandum No. 1548

3036/7/1 - wray  
filed 3 July 1973

The Secretary  
Department of Foreign Affairs  
CANBERRA. A.C.T. 2600

INTERNATIONAL PRESSURES FOR DOMESTIC REFORM IN  
INDONESIA - INDONESIA'S RELATIONS WITH THE  
UNITED STATES, WESTERN EUROPE AND AUSTRALIA

A group from the Centre for Strategic and International Studies recently visited the United States from 20 April to 12 May. The group included Lim Bian Kie (Private Secretary to President Soeharto's Personal Assistant Major-General Ali Murtopo); Major-General Hasnan Habib (Deputy Chief of Staff of the Armed Forces); Drs Juwono Sudarsono (Lecturer in International Relations at the University of Indonesia); Professor Panglaykim (Economic Advisor to President Soeharto's Personal Assistant, Major-General Sudjono Humardani); and Ir. Sutaryo Sigit (Director-General of the Department of Mining).

2. Professor Panglaykim and Drs Juwono Sudarsono visited Australia immediately before visiting the U.S.

3. The group has now produced a detailed report of their visit to the United States together with some recommendations for Indonesian policy towards United States and the "liberal democratic" countries of the West, including Australia.

Purpose of the visit

4. The visit of the group to the United States was intended to examine attitudes in academic and business circles and among officials towards Indonesia and South East Asia in the period after the Viet Nam conflict. (An important function of the group was to influence favourably attitudes towards Indonesia in the foreign affairs and academic community.) The group also studied the US economy and developments in the resources situation of the United States.

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5. During their visit the group attended 26 seminars throughout the United States meeting with officials, academics, members of US Chambers of Commerce and banking institutions, and the press. An important part of the visit was a seminar at Cornell University, traditionally the centre of criticism of the Soeharto government in American academic circles.

US Attitudes to Indonesia

6. The group found that interest in South East Asia had declined considerably following disillusionment with the United States role in Indo-China; American interests now centre on Western Europe, East Asia and the Middle East. Their report indicates however that they are optimistic that United States' lack of interest in the problems of South East Asia will not be permanent.

7. The group confirmed that Indonesia is regarded widely as "A military regime" tied both politically and economically to the United States "world capitalist system". Academic circles criticise the Soeharto government's implementation of social justice and its policy towards political prisoners in particular.

8. Business circles in the United States were quite happy with the degree of political stability in Indonesia achieved so far but expressed strong doubts about the future prospects for stability in the face of what they saw as growing inequalities in wealth and distribution of welfare. Many businessmen expressed concern about the failure to develop strong economic institutions and the continued persistence of corruption.

9. Specific points of criticism included the "emasculatation of political parties in Indonesia". The group's report states that this sort of attitude reflects the preference of western countries for a liberal democratic party system, but fails to take into account the vastly different social structure of Indonesia. In several universities academics showed a strong preference for the "supremacy of civilians in the government of Indonesia". The report notes the positing of civilians and the military as distinct classifications which might be valid for the United States but may not be valid for Indonesia. A further criticism was the failure to develop quickly enough social and political institutions in accordance with liberal democratic traditions. Academics were also skeptical about the ability of a military regime to develop Indonesia. They recalled the experience of the United States in Greece, Pakistan and Korea. Parallels were continually drawn between the government of President Soeharto and these countries.

10. A common point of criticism was the method of development chosen by Indonesia. The group found that in the universities China (and, increasingly, Chile) was seen as the only proper model for developing countries. Academic circles believed that the Chinese model was the only one which guaranteed

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justice for the majority. They tended to discount the of South Korea and Taiwan as tending towards oligarchy and dictatorship.

Australian attitudes

11. The group's report indicates that Professor Panglaykim and Drs Juwono Sudarsono found the same sort of attitudes current amongst Australian academics and businessmen during their visit to Australia.

Conclusions

12. The report recognised the seriousness of these views for the future of United States policy towards Indonesia and South East Asia. While recognising that the opinions of academics did not always impinge directly on United States foreign policy, the report does acknowledge that these attitudes could have an immediate effect in Senate and Congressional circles and a long term effect on the attitude of university students, from whose ranks future administrators will be drawn. To counter these attitudes the report recommends that Indonesia must systematically direct attention to the region and to develop Indonesia as one of the "10 major priorities" of US financial, academic and government circles. The report states plainly that:

"In the long run Indonesia will need the great powers more than the great powers will ever need Indonesia. This will force Indonesia to take much more account of the attitudes of all sections of the United States community."

13. The group spent some time studying the resources problems of the United States and came to the conclusion that in the long term the US might come to need resources, particularly oil and minerals, of which there are exportable surpluses in the under-developed world including Indonesia. In this way present indifference, particularly in US government circles, might turn full circle and bring about a great deal of official interest in and attention to the problems of Indonesia. However, one important factor in the future attractiveness of Indonesia as a source of raw materials for the industrialised countries would be continuing political stability.

Recommendations

14. The report states unequivocally that Indonesia must undertake changes in policy to give Indonesia greater credibility in the West. There should be greater efforts towards social justice; there should be further development of political and social institutions; there should be wider participation of all sectors of the community in the process of the government. The report acknowledges some limited success already under the Soeharto government towards these goals but adds that while the United States still applies strong liberal democratic criteria to developing countries, Indonesia will have to conform increasingly

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to these standards because of the overriding need for aid and development capital from the United States. (It is important to note that Lim Bian Kie has told us that many criticisms were put into the mouths of US critics in order to give more weight to these recommendations.)

15. Such an attitude of conformity to the West has not always been well received in Indonesia and significant elements in Indonesian society would still reject this advice. Faced with criticism of this sort the late President Soekarno, for example, would have told critics "to go to hell". In making these recommendations the group is clearly influenced by Indonesia's need for assistance from the United States and the report admits Indonesia's preference to develop within the capitalist system. The report in particular recognises and accepts the predominant influence of the US and US thinking and attitudes in the developing world, which "far outweighs the influence of the communist great powers". However the report also reveals a strong attachment to social justice, the widening of participation in the government and ultimate civilianisation of the whole structure of decision making. It is interesting that the report also bears the signature of Major-General Hasnan Habib, Deputy Chief of Staff of the Armed Forces and one of the future leaders of the Armed Forces in the 1980's. This tends to support the conviction of Lim Bian Kie and other civilians in the Centre for Strategic and International Studies that this and the future generation of armed forces' leaders are committed to the process of civilianisation of the government and a relaxation of controls once stability has been guaranteed and the civilian structure, particularly Golkar (Functional Groups - the government political party) has proved its capacity to govern and to maintain stability.

16. In this context it is interesting to note the reactions in the United States and Australia to the inclusion of Juwono Sudarsono in the group. On several occasions in the United States he disagreed with Hasnan Habib but Hasnan Habib took his points and debated with him. This raised some eyebrows in the US and undermined to some extent the assessment that Indonesia was a military regime. We understand that Juwono Sudarsono had similar disagreements with Professor Panglaykim (who is a much older man than Juwono Sudarsono) during their visit to Australia. (Reference Canberra's memorandum 1331 of 25 May 1973.) At least it demonstrates that the Centre for Strategic and International Studies acts as a civil/military "thinktank" and a centre for the exchange of ideas between the military and civil political technocrats, and not as an instrument of a monolithic military apparatus.

17. Clearly the report is open to criticism and attack from some in the military and from strongly nationalist elements in Indonesia that often tend to xenophobia. Xenophobia moreover is not restricted to the civilian nationalist parties, but is apparent in some degree at all levels of the military. The report is particularly vulnerable because two Chinese - Lim Bian Kie and Dr Panglaykim - have contributed to it. But this is countered by the fact that Major-General Hasnan Habib has also contributed.



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The true measure of its influence will be its acceptance among its recipients. The report has been received by the President, Vice-President, General Soemitro, General Sutopo Juwono, the leaders of Golkar and the Cabinet. Lim Bian Kie does not expect dramatic changes in domestic policies. Rather the report is part of a long educative process of the leadership which is not new and has been going on for some time. As the report itself acknowledges, there have been important steps in recent years towards reform and the strengthening of social and political institutions. The changes of attitudes towards political prisoners reported in our savingram 56 are regarded by Lim Bian Kie as one of the successes of this educative process. The report therefore serves to remind that this trend must continue if Indonesia is to retain any credibility among its friends in the West.

(G. J. Forrester)  
Second Secretary

cc Australian Embassy,  
WASHINGTON.

For information.

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CENTRAL REGISTER, EMBASSY OF AUSTRALIA  
D.E.A.

IN REPLY QUOTE: 221/11/9

IN 4 11 40 AM '73

INDEX SUBJECT

Memorandum No. 1573/73

30th May, 1973

The Secretary,  
Department of Foreign Affairs,  
CANBERRA

ENCLOSURES ATTACHED

3034/11/161

United States Policy : Indonesia

....  
A copy of the report by Secretary of State, Mr Rogers, on "United States Foreign Policy - 1972" has been forwarded separately to the Department. For ease of reference, an extract from the report on Indonesia is attached for your information.

2. We are sending a copy of this memorandum with attachment to Jakarta.

*Peter G. Timmins*  
(P.G. Timmins)  
First Secretary

*Mr. Lovell come  
Mr. Lovell would call  
Dawkins.*

*copy sent to AM.*

*F NS 8/6*



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### Indonesia

Despite the remarkable turnabout in 1966 from the disastrous policies and economic downslide of the Sukarno period, it remains evident that Indonesia faces a long, uphill fight to surmount still enormous problems in overpopulation, unemployment, and fundamental deficiencies in education and administrative structure. With half the population and more than 40 percent of the territory of Southeast Asia, Indonesia's success or failure will be a potent factor in the future of the entire region.

During his visit to Jakarta last June, Secretary Rogers commented that Indonesia is "a major contributor to stability in Asia," in large part because the Indonesian Government recognizes "the close link between sound economic development and stable political development." Noting Indonesia's economic progress as well as the many challenges which still lie ahead, the Secretary pledged that the United States will continue "to assist Indonesia's efforts to improve the life of its people."

During the past year Indonesia was instrumental in promoting a constructive initiative by the members of ASEAN for a peaceful resolution of the Vietnam war. More recently, the Indonesian Government agreed to participate in an international commission to supervise a cease-fire in Vietnam.

Basing much of its foreign policy on the further strengthening of ASEAN, Indonesia strongly advocates a doctrine of regional "resilience." This doctrine calls for national and regional cohesion and strength in all spheres—economic, social, cultural, political, and military—to develop a security fabric capable of withstanding any external thrust. Last year President Suharto carried out a series of successful visits to Australia, New Zealand, the Philippines, and Japan

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which served to strengthen the increasingly amicable relations between Indonesia and its neighbors.

Internally, Indonesia continued its economic stabilization policies, maintained a consistent growth rate of over 6 percent, and laid the foundations for its second Five-Year Plan. There was good progress in petroleum, mineral, and timber production and both domestic and foreign investment increased rapidly.

Against this progress must be recorded a setback in food production. In 1972 Indonesia experienced one of the worst droughts of recent years. Although the resulting rice shortage had a serious impact on prices, it is hoped that the problem will have only a temporary effect on the stabilization program and progress toward self-sufficiency in food. The United States increased its rice shipments to Indonesia by 50,000 tons to help alleviate this problem.

The Government of Indonesia encourages foreign investment as a necessary means to rapid development. U.S. investment increased during 1972 and is now about \$1.5 billion. President Suharto reiterated the Indonesian welcome for foreign investment in his August 16 Independence Day speech, emphasizing joint ventures and the need to insure both maximum benefits for Indonesia and balanced growth in domestic and foreign investment.

The United States pledged economic assistance to Indonesia for fiscal year 1972-73 amounting to \$203 million—\$138 million in non-food aid and \$65 million in food aid. Since the resumption of aid to Indonesia in 1967, U.S. assistance has been pledged through the Intergovernmental Group on Indonesia (IGGI), a multilateral body consisting of 12 donor countries, the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), and the Asian Development Bank (ADB). With our active support and encouragement, this multilateral group has played a vital role in assisting Indonesian stabilization and development efforts.

IGGI donors agreed in 1972 to provide approximately \$724 million in aid. In view of Indonesia's size, strategic importance, and constructive leadership within the region, it is very much in the U.S. interest that we join Japan, Australia, and the western European countries in continuing to provide assistance for Indonesia's long-term development effort.



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EX: W. U. 089501

CONFIDENTIAL

1601 MASSACHUSETTS AVE  
WASHINGTON, D. C. 20036



EMBASSY OF AUSTRALIA

REF: 221/11/1/1

Memorandum No. 1281/73

7th May, 1973.

The Secretary,  
Department of Foreign Affairs,  
CANBERRA. A.C.T.

United States Forces in Asia

We had a long conversation recently with Mr Robert MacCallum, of the Politico-Military Affairs Bureau in the State Department, about a recent extensive visit he had made to Asia in relation to the question of United States bases. MacCallum visited Japan, Taiwan, Thailand, South Vietnam, Indonesia and the Philippines. The following is a brief summary of the more important points to emerge from the conversation which we will be pursuing in more detail in subsequent discussions.

Japan

2. MacCallum, who knows Japan well, considered the changing atmosphere in Japan towards the United States defence commitment to be the most significant part of his visit. He had spent most of his time in Tokyo with Mr Michael Armacost of the United States Embassy. It had been obvious that the previous relationship between the two countries on defence matters had changed and that Japan was now looking forward to a more self-reliant position. The Japanese Government was still solid in its support for the Defence Treaty but there were signs among some of the academic "deep defence thinkers" that further refinements would be needed to the bases arrangements.

3. MacCallum gained the impression that while the Kanto plain consolidation would do much to relieve public pressures around Tokyo there were the beginnings of a serious movement to have the Marines withdrawn from Okinawa. As far as he could evaluate it from a brief visit the Japanese viewed the United States forces in Japan in the following descending order of importance to themselves: marine units; army logistical units; USAF and naval units. The Japanese appeared to see the naval units as the least offensive and the most useful for Japan's own defence requirements.

*Indonesia  
Section*

*To retain*

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17/5*



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Taiwan

4. MacCallum's visit to Taiwan had not brought to light much additional information to that contained in our memorandum No. 719 of 12 March, 1973 (not to all addressees). However, MacCallum did say that the USAF was now working on plans to transfer the C130 units from Taiwan to Okinawa as soon as the Japanese have completed the necessary construction there. There have been no major developments on the F5 replacement program because "the first F5E has still to fly". Apparently there are continuing structural problems being experienced with the F5E and a successful prototype has not yet been developed. On present indications it could be 1975 before the F5Es came into production line operation.

Thailand

5. MacCallum felt that there was more opposition in Thailand to the United States bases than had been generally accepted in Washington. He instanced Thanat Khoman's remarks and said that there had been a few other pointers in that direction. The attitude of the Thai Government, however, still appeared to be firm on the need for the United States bases. MacCallum believed that the Thai Government's options on this had narrowed and that it was probably "in far too deep" now to change its attitude on bases - at least until a Vietnam settlement had been more satisfactorily achieved.

Viet Nam

6. MacCallum visited Bien Hoa and did not go into Saigon. His visit had been at a weekend and largely of a private nature (he had served in Bien Hoa earlier). MacCallum mentioned that major difficulties were being experienced with the servicing of the large number of aircraft provided by the United States just prior to the ceasefire. The American civilian contractors were finding the task of servicing and maintaining the aircraft too difficult. He had learned that only about 15 of about 50 of the C130s were now airworthy.

Indonesia

7. MacCallum said that the Indonesians were keeping under close scrutiny the way the United States was living up to its obligations to the Thais. The Indonesians did not want foreign bases on their territory but they were still concerned about the future of the United States commitment in Asia. The Indonesians had also expressed some concern to the United States Embassy in Djakarta about Australia's future intentions in the area.

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CONFIDENTIAL

- 3 -

8. We asked whether there had been any further developments in Indonesian interest in aircraft. MacCallum said that he understood that the Indonesians had given some thought to more sophisticated aircraft than the F-86 but they would not be in a good bargaining position until Singapore and Malaysia had their new aircraft. The earliest date now for Malaysia to receive its F5Es appeared to be 1976 or 1977 as Malaysia was not as high on the priority list as were the ROK, ROC and Iran who had provided F5As for Viet Nam. In the light of this, MacCallum did not expect that the Indonesians would receive any more modern aircraft from the United States until 1979 or 1980.

Philippines

9. Of all the countries that he visited, the Philippines appeared to be the one where United States bases would probably stay on the longest. Unlike Thailand, there was a considerable lobby in the Philippines in support of the maintenance of United States bases. Other considerations apart, MacCallum considered it likely that the United States would maintain its facilities at Clark longer than any other in the Asian area. However, he added a note of caution about the Clark and Laurel/Langley re-negotiations.

10. We are sending copies of this memorandum to Bangkok, Hong Kong, Djakarta, Manila, Saigon and Tokyo.

(M.G. Williams)  
Counsellor

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Los

3034/11/161

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→ Defence Division

CONFIDENTIAL

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WASHINGTON, D. C. 20036



EMBASSY OF AUSTRALIA

REPLY QUOTE: 221/11/1/1

Memorandum No. 1281/73

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10. We are sending copies of this memorandum to Bangkok, Hong Kong, Djakarta, Manila, Saigon and Tokyo.

(M.G. Williams)  
Counsellor

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Jakarta Economic Savingram no. 36, 8/5/1973

Indonesia/USA

## INWARD SAVINGRAM

19. The USA Undersecretary of the Treasury, Paul A. Volcker had discussions with Finance Minister, Ali Wardhana, and the Governor of the Central Bank, Drs Rachmat Saleh, during a visit to Jakarta from 2 to 3 May. At a press conference on 3 May Mr Volcker said that his discussions with the Indonesian financial leaders had been very useful as they gave him a clearer understanding of what people in this region were thinking. He added that he put to the Indonesians once again the American view on how the international monetary situation can be put right on a permanent basis and stressed that the sorts of solutions arrived at recently in a crisis situation though adequate for the time being, are not necessarily the best long term solutions.

20. Mr Volcker said that his discussions had also touched on international trade and trade between the US and Indonesia. He did not speak at great length on the latter subject but expressed the view to the press that the US was not being given a "fair share" in some areas of international trade in that developed countries tended to erect high tariff barriers to protect, among others, the agricultural sector of their economies, whereas the US sometimes had a clear comparative advantage over these countries in the fields they were protecting. He said also that he was happy to see Japan become a major economic power provided it realised that being a major economic power carried with it international responsibilities such as not running a high trade surplus for a long period of time. He added that the same applied to the US and indeed every country.



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THE SECRETARY OF DEFENCE  
DEPARTMENT OF DEFENCE

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3034/11/161

REPUBLIC OF FOREIGN AFFAIRS

INWARD SAVINGRAM

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File

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3034/12/1

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3034/2/2/1

3034/17/4

3034/10/4/5

3034/11/161

TO: 10 April 1973

TO: 13 April 1973

FROM : 3034/10/4/6  
Australian Embassy,  
JAKARTA

TO : The Secretary,  
Department of Foreign Affairs,  
CANBERRA A.C.T. ...

Australian Embassy,  
WASHINGTON ...

SAVINGRAM NO. 23

SAVINGRAM NO. 1

Mr. Walker to see on  
return

CONVERSATION WITH PANGGABEAN

The following points are reported from a conversation with the Minister for Defence and Security (General Panggabean) following the ceremony for the transfer of the Sabre aircraft at Iswahyudi yesterday.

2. General Panggabean spoke about the visit to Jakarta last week of CINCPAC (Admiral Gayler). He said that Gayler had outlined to the Indonesians future American "off-shore strategy" and had said that American bases would be retained in Thailand, Korea, Japan, Taiwan and the Philippines. (We have gathered separately that the Indonesians tried to draw Gayler out on how long the bases would remain in Thailand but that Gayler was non-committal.) Panggabean said that the Americans had told the Indonesians that "for planning purposes" they could work on the assumption that American defence aid would be at the level of U.S. \$ 25 millions a year for the next five years. Panggabean said that it was not expected that, despite the pressure of the American Congress to reduce military aid, the amount given to Indonesia would be significantly lower than this figure.

3. He added that the figure of \$25 millions this year had in practice been increased by the decision to provide, at a nominal charge only, a DE destroyer. Panggabean said that Admiral Sudomo had seen three more of this type of destroyer in Hawaii recently and had expressed interest in receiving them on the same basis. Admiral Zumwalt had suggested to Sudomo that a letter be written direct to President Nixon to ask that they be given to Indonesia. Panggabean said that he had discussed this idea with the American Ambassador (Galbraith), who had suggested that no follow-up action be taken pending a visit which Galbraith himself is about to make to Washington. Galbraith had said that he would take some soundings as to the availability of the ships while he was there and talk to Panggabean again after he returned.

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INWARD SAVINGRAM

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4. Panggabean said that HANKAM was faced with considerable problems in trying to implement the "qualitative" approval given by the recent People's Congress for objectives to be sought in the strengthening of the Indonesian Armed Forces in the 5-year developmental plan to 1978. If these American destroyers could be obtained this would help the Navy considerably to achieve the programme which had been outlined to Mr Barnard last week. The Australian undertaking to continue the aid programme after 1975 was also particularly useful in that it would fill another important part of the gap in the naval programme. Our undertaking would assist the Indonesian Armed Forces in planning their own activities more firmly and in getting financial approvals. Speaking generally about the wider implications of our defence cooperation programme with Indonesia, Panggabean commented that "the combination of Indonesian manpower and Australian technical skills" should do much to ensure peace and stability in our part of the world. He said that he particularly looked to the expansion of our training programme for Indonesia.

5. In a reference to the discussions which had taken place with Mr Barnard on command-post exercises, Panggabean said that Indonesia would be ready to take part in activities of this nature "at any time" since the financial implications were not great. In respect of more developed exercises, the principal problem would be that no budgetary allocations had so far been provided, and the rigidity built into the Indonesian budget system would not make it easy to effect changes. I replied that we had offered assistance in order to facilitate Indonesian naval participation in exercises in Australian waters, and we might be able to help in other kinds of exercises. Panggabean remarked incidentally that no significant exercises had so far taken part with other ASEAN countries, apart from the special case of border cooperation in Malaysia.

6. During the conversation, Panggabean explained the new relationship of President Soeharto to the armed forces following his relinquishment of the post of Defence Minister. The President remained the senior military officer in the country, as well as being Supreme Commander. Panggabean himself was Commander-in-Chief. The relationship between the two posts had not been spelled out, although it obviously gives the President a residual authority while allowing the Army Commander to have the general responsibility for the armed forces. Panggabean explained that the division of responsibility in this way had been decided on so as to make it more difficult for a future Head of State/Government to attain the dominance that Sukarno had achieved. Nasution, for example, had only had the status of a Chief of Staff so that Soekarno had unchallenged legal authority over the armed forces. (Although Panggabean did not say so, the new



DEPARTMENT OF FOREIGN AFFAIRS

INWARD SAVINGRAM

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arrangements also tighten the Army's control over the other Armed Forces and would make it very difficult for a future Head of State to divide the Armed Forces against each other.)

7. Panggabean said that, in addition to the planned visit by Tun Tazak this month, the Thai Prime Minister would also be visiting Indonesia before long. So would Lee Kwan Yew, although in his case a firm date remained to be fixed. I asked whether there were any plans for President Marcos also to visit Indonesia. Panggabean replied that Marcos was too busy at present in his own country. (This planned succession of ASEAN Head of Government visits to Jakarta provides an interesting variant to the ASEAN summit which the Philippines had been seeking, and has obvious advantages from the Indonesian viewpoint.)

BURLONGER

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DEPARTMENT OF FOREIGN AFFAIRS  
INWARD SAVINGRAM

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PRIME MINISTER  
MINISTER OF STATE  
FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
TREASURER AND TREASURY  
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ACTION: DP

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EAME FAS(DEF) DP IC FAS(OVP) AID ICR FAS(10) FAS(CL) FAS(MS)



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CONFIDENTIAL

United States

29. In an editorial on 9 February, the normally anti-Western newspaper Merdeka grudgingly acknowledged the role the U.S. could play in Indonesia's development and outlined in detail the strategic reasons which would ensure a continued major U.S. influence in the region.

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**CONFIDENTIAL**

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ROLE OF THE GREAT POWERS IN ASIA :THE UNITED STATESSynopsis

- How does Indonesia assess the implications of the Nixon Doctrine and United States military disengagement from South-East Asia as it affects Indonesian interests?
- How does Indonesia evaluate United States aid, and the prospects for its continuation at existing levels?
- An explanation of Australia's relations with the United States, including ANZUS and United States bases in Australia, would be useful to the Indonesians.

Department of Foreign Affairs  
February 1973

7 3034 / 11 / 161 .



ROLE OF THE GREAT POWERS IN ASIAIndonesian Relations with the United States

For the United States, Indonesia is one of the models of the Nixon Doctrine, a country which is making effective use of United States aid to develop its indigenous strength without involving the United States in any commitment. The United States also values Indonesia's endeavours to promote co-operation and self-reliance amongst the ASEAN countries.

2. For Indonesia, the United States is a supplier of economic aid, military aid and private investment on a scale which is vital to the attainment of Indonesia's domestic economic objectives, and hence, to the political stability of the regime. At the same time, Indonesian leaders see the United States military and economic role in South East Asia as providing a vital underpinning of the regional countries' hopes of achieving national and collective resilience, and of resisting the extension of Chinese political influence and the risk of Japanese economic domination.

3. Indonesian attachment to the forms of an independent and active (i.e. non-aligned) foreign policy, and the "low posture" scrupulously maintained by the United States in Jakarta, mask a very close relationship, based on a shared conviction that the two countries' policies and performance serve each other's national interests.

Department of Foreign Affairs  
February 1973

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ROLE OF THE GREAT POWERS IN ASIA

Japan

Synopsis

- Japan is a substantial economic power in South-East Asia and is economically very important for Australia also. Japanese economic dynamism has great potential for regional development. But there is a need to maintain a balance in economic relations with Japan by ensuring that one's own national interests are met.
- Acquisition of resources is an integral part of Japan's foreign policy and is applied by the Japanese on a global scale. The Japanese are hard-headed in their approach and must be met in a similar vein. Australia has a common interest with Indonesia and other regional countries in seeking to ensure constructive Japanese economic activity.
- Japan is seeking a political role in some degree commensurate with her economic status and one that is more independent of the United States. This has included the normalisation of relations with China, discussions at Ministerial level with the Soviet Union for the conclusion of a peace treaty, recognition of Mongolia and generally a greater preparedness to deal with communist countries which Japan does not yet recognise. Australia welcomes these developments, which should help to ease tensions between the great powers. Australia welcomes a responsible political role in South-East Asia for Japan so long as this accords with the wishes of the people of the region.
- Australia sees no threat of resurgence of Japanese militarism. Japanese defence capabilities and expansion plans are modest. Japan's Security Treaty with the United States provides a check against Japanese nuclear armament and an undesirable Japanese military capability.
- Japan is a major factor for both Indonesia and Australia about which we should maintain close contact.

Department of Foreign Affairs  
February 1973

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ROLE OF THE GREAT POWERS IN ASIAIndonesian Relations with Japan

For Indonesia, Japan is a country of major importance. Japanese aid to Indonesia is comparable to that of the United States. Japan provides one-third of IGGI aid and is extending additional credits for oil development. It is Indonesia's most important trade partner and it is second only to the United States as a source of foreign investment.

2. The Indonesians have grown increasingly confident in their relations with Japan; but there is clearly some apprehension about the role that a powerful Japan might play by the end of the decade. While a threat is not seen in the short term (five years) the Indonesians appear to fear that the logic of power and possible restrictions on markets and the pressure of a military industrial complex could push Japan down a military path.

3. Japan sees Indonesia as the most important of the South-East Asian countries and one which could become an increasingly profitable field for Japanese trade and investment, and an increasingly important source of resources and raw materials for Japanese industry.

4. The Indonesians have sometimes talked of a special trilateral relationship between Japan, Australia and Indonesia; but Japan like ourselves has shown no enthusiasm for this idea.

Department of Foreign Affairs  
February 1973

1.

DEPARTMENT OF FOREIGN AFFAIRS  
**INWARD CABLEGRAM**

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I.15312

FROM

TOD 08.2.73...18105 LT

AUSTRALIAN EMBASSY  
JAKARTA

TOR 09.2.73...1225 LT

633 SECRET

AGNEW VISIT

DURING ONE DAY VISIT ON 6-7 FEBRUARY, VICE PRESIDENT HELD TALKS WITH PRESIDENT, MR MALIK, GENERAL PANGGABEAN, ECONOMIC MINISTERS (SULTAN OF JOGJAKARTA, WIDJOJO AND SALIM JOINTLY) GENERAL SOEMITRO, ALI MURTOPO, GENERAL SUTOPO AND OTHER OFFICIALS. HIS ANNOUNCED PURPOSE IN VISITING COUNTIRES OF THE REGION HAS BEEN TO DISCUSS PROBLEMS ARISING FROM NEW PERIOD BEGUN BY SIGNING OF PARIS AGREEMENTS. VICE PRESIDENT HAD ASSURED INDONESIAN LEADERS THAT UNITED STATES WOULD CONTINUE ITS PRESENCE AND VITAL INTEREST IN THE REGION, AND HONOUR ITS COMMITMENTS.

2. U.S. EMBASSY D.C.M. (TOUSSAINT) HAS TOLD US THAT TALKS RANGED OVER A NUMBER OF SUBJECTS, BUT VERY LITTLE OF SUBSTANCE PASSED BETWEEN LEADERS ON THE POST VIETNAM ARRANGEMENTS. THERE WAS COMMON AGREEMENT THAT PROBLEMS WOULD BECOME CLEAR FOLLOWING THE PARIS CONFERENCE.

3. AMERICANS FOUND, COMBINED WITH INDONESIAN WILLINGNESS TO DO EVERYTHING POSSIBLE TO HELP, A PREVALENT PESSIMISM HERE ON THE FUTURE OUTLOOK FOR SOUTH VIETNAM, AND EXPECTATIONS THAT THIEU COULD NOT SURVIVE, AND THAT IT WAS A MATTER OF TIME BEFORE HANOI TOOK OVER. THEY BELIEVE VICE PRESIDENT WAS ABLE TO MAKE A USEFUL IMPACT IN DISPELLING SOME OF THIS PESSIMISM. HE HAD QUOTED FIGURES SUGGESTING THAT IF ELECTIONS WERE HELD IN SOUTH VIETNAM, SAIGON WOULD GAIN PERHAPS 80 PERCENT SUPPORT AND THAT, IN CIRCUMSTANCES, HANOI MIGHT NOT PRESS FOR ELECTIONS. IT WAS EXPLAINED THAT THE PERIOD BEFORE THE CEASEFIRE HAD BEEN PUT TO GOOD EFFECT IN RE-EQUIPPING THIEU'S FORCES - "THEY WERE NOW VERY FULLY ARMED" - AND THE TERMS OF THE CEASEFIRE PERMITTED THIS LEVEL OF ARMAMENT TO BE MAINTAINED. INDONESIANS HAD ALSO TENDED TO ASSUME THAT HANOI AND PEKING WERE NOT INTERESTED IN MAKING CEASEFIRE WORK, BUT VICE-PRESIDENT HAD BEEN ABLE TO ASSURE THEM THAT U.S. FIRMLY BELIEVED THAT NOT ONLY THOSE TWO BUT MOSCOW WERE KEENLY INTERESTED IN HAVING CEASEFIRE WORK.

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## INWARD CABLEGRAM

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4. IN DISCUSSIONS ON CAMBODIA, INDONESIAN LONG-TERM PESSIMISM WAS QUALIFIED BY SOME READINESS TO ACCEPT THAT, PROVIDED LON NOL COULD GET SUPPORT OF ALL THE NON-COMMUNISTS, HIS POSITION IN CAMBODIA WOULD BE MUCH MORE SECURE. IN LAOS, VICE PRESIDENT HAD BEEN ABLE TO CONVEY BETTER PROSPECTS OF A CEASEFIRE IN THE FAIRLY NEAR FUTURE.

5. TOUSSAINT SAID THAT PESSIMISM ON INDOCHINA HAD SPILLED OVER INTO THE TALKS WITH ECONOMIC MINISTERS WHO HAD EXPRESSED CONCERN ABOUT POSSIBLE OVER-CONCENTRATION OF THE WEST ON BUILDING UP INDOCHINA. THEY HAD ARGUED FROM VIEWPOINT THAT, IF IT WERE INEVITABLE THAT THE WHOLE OF INDO-CHINA WAS GOING TO COME UNDER EVENTUAL COMMUNIST CONTROL, THE IMPORTANT OBJECTIVE SHOULD BE TO BUILD UP THE INDONESIAN ECONOMY AND TO MAKE INDONESIA A SOLID BASTION AGAINST FURTHER COMMUNIST EXPANSION. WHILE THE TECHNOCRATS HAD EXPRESSED APPRECIATION FOR THE EXISTING SCALE OF WESTERN ECONOMIC AID, THEY ALSO ARGUED THAT THIS WAS INCOMMENSURATE WITH THE IMMENSE DEVELOPMENT NEEDS OF INDONESIA.

6. IN REPLY AGNEW HAD TAKEN THE OPPORTUNITY TO POINT OUT THAT AMERICAN POLICY FOR VIETNAM RECONSTRUCTION COULD BE EXPECTED TO FOLLOW THE LINES OF AMERICAN AID TO OTHER COUNTRIES WITH WHICH THE UNITED STATES HAD BEEN AT WAR. HE REMINDED TECHNOCRATS OF DOMESTIC PROBLEMS FOR THE UNITED STATES IN EXTENDING ECONOMIC AID AND OF THE IMPORTANCE OF ITS EFFICIENT UTILISATION. TOUSSAINT SAID HE THOUGHT IT MIGHT BE CONFIDENTLY PREDICTED THAT MR WHITLAM WOULD RECEIVE A SIMILARLY CONCERTED APPROACH ON INDONESIA'S NEED FOR INCREASED AID.

7. TOUSSAINT SAID THAT THE QUESTION OF AUSTRALIA HAD NOT RISEN IN TALKS IN WHICH AGNEW HIMSELF WAS INVOLVED. THE ONLY REFERENCE HE HAD HEARD IN ANY CONNECTION HAD BEEN A QUERY BY GENERAL TJOKROPRANOLO (MILITARY SECRETARY PRESIDENT'S STAFF) TO SENIOR U.S. MILITARY AIDE. TJOKROPRANOLO HAD INDICATED INDONESIA'S RESERVATIONS ABOUT POSSIBILITY OF BRINGING PEKING AND HANOI INTO A REGIONAL CONFERENCE ON LINES ENVISAGED BY AUSTRALIA.

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DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

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I.15312

PRIME MINISTER  
MINISTER OF STATE  
DEPT OF FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
JIO  
PM'S

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ACTION: PC/SA/SEA

SEC DEPSEC(A) (B) PR MCO FAS(A) MR BODY NA SA SEA FAS(PW)  
PC EAME FAS(DEF) DP IC FAS(DVP) ICR FAS(IO) UNIA FAS(CL)  
FAS(MS)



3036/11/16189

Australian 1-2-73

## Cannibal marriage will

UNITED PRESS:  
NEW YORK, WEDNESDAY  
THE teenage son of a woman anthropologist confirmed yesterday that his mother had married a cannibal chieftain in a tribal ceremony in Indonesia. But he predicted it would not last.

"True all right," said Jmy (pronounced Jimmy) Martin of reports in Indonesian newspapers last week that Mrs Wyn Sargent, an attractive 42-year-old explorer and

## not last — son

writer, had married Obaharok, a cannibal chief in the Indonesian province of West Irian.

Jmy said his mother entered the marriage for research on a book she is writing. The marriage, he said, would end when the book was complete.

"My mum knows what she's doing," he said.

The six foot tall Mrs Sargent, who has travelled extensively in search of tribal customs

left Huntington Beach, California, for Indonesia last October 1.

Mrs Sargent paid a "reverse dowry" of 11 pigs and five sets of native head-dresses and said she would switch to the customary tribal dress for women — a scanty leaf skirt and a woven rope carrying-sack that is suspended from the head and covers the back.

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Indon. Newsletter. 3/73.

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22-1-73.

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SENATORS TO DENY ABUSE OF FOREIGN AID

The United States Senate had censured current appropriations of foreign aid, but US Senators who had visited Indonesia would tell their Senate that the alleged abuse of US foreign aid was untrue.

State Secretary Sudharmono said this in Jakarta on January 12. He spoke after the visitors had paid a courtesy call on President Soeharto at the Merdeka Palace, when the President told them that Indonesia was capitalising on foreign aid. The President said the aid should be accounted for, not only to the people of Indonesia, but also to the representatives of the people of donor countries.

The Senators, who held talks with Indonesian officials and studied how US assistance was being used, were: Senators Daniel K. Inouye (Hawaii), Joseph Montoya (New Mexico), Ernest Hollings (South Carolina) and Birch Bayh (Indiana). They said they had been impressed by the progress of Indonesia's development plan and the way in which the Government had been capitalising on the foreign aid received.



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6. INDONESIA : US MILITARY AID

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→ 3034/11/161

The Head of the US Defense Liaison Group, at a recent meeting with the Australian Services Attaches in Djakarta provided the most frank and comprehensive briefing so far on the US military aid Programme (MAP) to Indonesia. ~~He expressed the desire for an~~

The USDLG comprises 54 permanent staff and about 30 temporary-duty personnel at any one time. Provision has been made <sup>for</sup> to have US liaison officers <sup>to be attached to</sup> in the Indonesian Services headquarters, and detachments are also maintained at Bandung for the Army, and the Air Force, and at Surabaya for the Navy.

The present US-aid programme, which is in the form of ~~grant~~ <sup>grant</sup> aid, began in the 1966-67 financial year. Until 1970 it was limited to material and funds for the Indonesian Army's civic-action projects. Amounts ranged from \$ US2.7 million in 1966-67 to \$5.8 million in 1969-70. A sudden increase to \$ <sup>18</sup>25 million in 1970-71 marked a change in emphasis to combat-unit support. \$ 25 million was requested for the year 1971-72, but the US cut this to \$ 18 million. Despite (or perhaps because of) the cut, \$ 30 million has been requested for 1972-73. Only projects approved by HANKAM are included in US aid.

Projects now in hand or planned include:

Defence or Tri-Service

- . The development of <sup>a</sup> communications network for HANKAM, the three Services and the National Police at a ~~total~~ cost of \$ 18 million. An H/F-radio communications network is due for completion in 1975.
- . The improvement of a vehicle-maintenance depot at Bandung. This is to provide a modern regional ordnance facility capable of supporting vehicles supplied by the US.
- . Provision of intelligence devices. This is a new special project, for which \$ 8 million has been allocated in 1973.

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- The improvement of training planning, reference materials, and equipment at Services schools. The aid includes the provision of training aids, language-training facilities and books.
- The provision of professional training. This training is designed to provide professional and advanced training overseas. (About 200 Indonesians undergo professional training in the US each year).
- The provision of engineer equipment. The emphasis is being removed from this project, and it is likely that it will not be included in MAP for 1974. This is indicative of the change from civic-mission to purely military aid.

Navy

- The support for 24 ships so far provided by the US.
- The rehabilitation of Surabaya dockyard. This is a continuing programme involving the upgrading of the naval dockyard.
- <sup>The</sup> / Provision of, and support for, one destroyer escort. The US plans to provide this vessel in 1973 at a cost of \$ 1.5 million.

Army

- The establishment of a well-equipped strategic force of two airborne brigades. This is a continuing project and includes the equipment ~~of~~ <sup>for</sup> two airborne brigades to be based in Java. It also includes the provision of small-arms, 105-mm field guns and vehicles of up to 2½ tons.

Air Force

- The provision of a squadron (13 aircraft) of F-51D close <sup>air-</sup> support aircraft.
- The support for aircraft of US origin. This includes the maintenance and spare-parts support for about 100 aircraft already supplied to Indonesia.
- The improvement of an aircraft-maintenance depot at Bandung.

This is a continuing programme aimed at self-help and self-sufficiency.



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(The maintenance depot at Husein Sastranegara is mainly concerned with the repair, overhaul and maintenance of C-130 aircraft provided by the US).

. The provision of, and support for, 16 T-33 jet trainers, with the objective of upgrading pilot-training facilities. The project includes a small amount of training in the US for Indonesian personnel, and it provides for a small advisory group of US Air Force personnel at Iswahjudi. Major overhaul of the T-33 engines will be carried out by the Indonesian Air Force at Malang, using facilities previously used to overhaul MiG engines.

. The provision of additional aircraft. The US plans to provide one C-130 each year for five years; recent plans include the provision of 24 helicopters, 12 S-58 helicopters to be delivered this year and 12 UH-1 helicopters in 1973.

#### National Police

. The provision of aid for the maintenance of vehicles, training, laboratory facilities and an anti-narcotic programme.

#### Future Projects

. Mention was made of additional projects that were being considered for the future (1974); the most important are:

The equipping of a mechanized brigade with armoured cars.

The establishment of a surveillance radar infrastructure in Java for air-traffic control. A US study team is now examining Indonesia capability in this regard.

The building of a naval repair base for small craft.

The equipping of two additional airborne battalions as part of the HANKAM plan to develop a brigade in Kalimantan and in Sumatra, each to include an airborne battalion.

The MAP will have <sup>a significant</sup> considerable effect on the Indonesian Armed Forces, particularly in arresting the decay of the Navy and Air Force. No funds are available from the Indonesian Government for the purchase of new military equipment because of the <sup>significant</sup> ~~considerable~~ effect on the Indonesian Armed Forces.

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being given to economic reconstruction. The Services are dependent on outside aid, which has been forthcoming only from the US and Australia. The MAP seems to be proceeding smoothly, and the US Defense Liaison Group is a reasonably efficient organization adequately staffed for the tasks in hand.

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EMBASSY OF AUSTRALIA

CENTRAL REGISTRY  
D.E.A.

IN REPLY QUOTE: 221/11/9

SEP 11 3 51 PM '72

NOV. INDEX. SUBJECT

Memorandum No. 2354/72

1st September, 1972

The Secretary,  
Department of Foreign Affairs,  
CANBERRA

Indonesia - United States Relations

The following points emerged from a conversation we had with Mr Ted Heavner (Country Director, Indonesia, Malaysia, Singapore in the State Department) on 30 August, 1972.

2. Heavner said that the State Department had talked at length with the Indonesian Ambassador, Mr Sjarif Thajev, about future United States aid to Indonesia before the latter's recent return to Djakarta for a meeting of IGGI ambassadors. The State Department had attempted to present the future prospects for United States aid to Indonesia in a frank but helpful manner. It had been concerned to ensure that the Indonesian government fully appreciated the realities of present Congressional attitudes towards foreign aid. Heavner said that the Indonesian Ambassador had responded well to the presentation and undertaken to pass on the message to Djakarta. Since his return to Djakarta, the Ambassador had been quoted in the press as having made the point that the level of United States aid to Indonesia would remain "stable" i.e. not increase.

3. Although fiscal year 1973 military assistance authorisations still remained in doubt, Heavner hoped that there would be no significant reduction in the \$US18 million assigned to Indonesia. He commented, with some satisfaction, that no queries about the Indonesian MAP programme had been raised by either house of the Congress. Nevertheless, a substantial global cut in the fiscal year 1973 MAP budget would almost certainly lead to further reductions in the size of the Indonesian MAP programme.

4. As the fiscal year 1974 aid programme is now being drawn up in Washington, we asked whether there was any indication yet of the likely level of aid to Indonesia. Heavner said that non-military aid was still very much under discussion but he thought that a figure of \$US30 million would be requested for the fiscal year 1974 MAP programme. Heavner believed that this was far too optimistic a figure but he hoped that the final figure would be somewhere in the vicinity of \$US20 million.

5. Heavner also told us that Pangbean is to visit Washington in the first week in September for two or three days' consultation with United States authorities. Heavner did not know what precisely Pangbean would have in his brief but he was sure Pangbean would be coming with a

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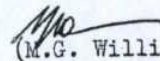
"shopping list". Pangbean is to be accompanied by several senior military officers including a General Habib.

6. We took this opportunity to ask whether Heavner considered it likely that Indonesians would be requesting more sophisticated aircraft in the light of the recently agreed sales to Singapore and Malaysia. Heavner said that the latest State Department information was that the Indonesians were happy with their F-86s being provided by Australia and the twelve T-33s being provided by the United States from excess defence equipment. At this stage, it seemed that the Indonesians would not want more sophisticated aircraft until the late 1970s. (We have heard elsewhere in the State Department that the Indonesians and the United States aircraft companies are pushing hard for the supply of more sophisticated aircraft before the late 1970s but that the State Department was opposed to this.)

Visit by Malik

7. The Indonesian Foreign Minister, Mr Malik, will visit Washington for three days commencing 15 September. While in Washington Malik will host a meeting of Indonesian ambassadors from the western hemisphere.

8. We are sending a copy of this memorandum to Djakarta.

  
(M.G. Williams)  
Counsellor



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*Lept*

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696/2/2/1

AUSTRALIAN EMBASSY,  
DJAKARTA

CENTRAL REGISTRY  
J D.E.A.

SEP 3 10 23 AM

In reply quote No. 1/7/Air

1 September 1972

The Secretary  
Department of Foreign Affairs  
Administrative Building  
CANBERRA ACT 2600



ENCLOSURES ATTACHED

UNITED STATES DEFENCE AID TO INDONESIA

Forwarded herewith for your information is a copy of a report on the United States Defence Aid to Indonesia programme.

*[Signature]*  
(J. J. T. MELDRUM)  
Group Captain  
Air Attache

*Mr. Campbell*  
*Mr. Webb*  
*Mr. Jackson*  
696/2/2/1

*[Signature]*

DL

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1/7/Air

31 August 1972

The Secretary,  
Department of Defence,  
Russell Offices,  
C.P.M.H. A.C.T.

UNITED STATES DEFENCE AID TO INDONESIA

On 23rd August 1972 the three Service Attaches of this Embassy were given a briefing on United States defence aid to Indonesia at the United States Embassy by officers of the Defence Liaison Group (DLG) led by Colonel L. McQueen the head of DLG. The briefing was most comprehensive, completely unrestrained in the scope of information given and delivered in an atmosphere of mutual confidence and cooperation. Colonel McQueen, who has only recently taken over the leadership of the DLG, expressed the desire for an open exchange of information on our respective military aid programmes and suggested that meetings between the DLG and the Australian Attaches should be held on a regular basis. It was also suggested that tripartite meetings should be held to include appropriate Indonesians from HADJAI and the Indonesian Services. The Australian Ambassador supports these concepts.

2. The DLG is preparing a record of the recent meeting and has promised to send us a copy. This will be forwarded later and in the meantime details of U.S. Military Aid programme to Indonesia are contained in the following paragraphs.

Organization of U.S. Defence Liaison Group

3. An organization chart of the U.S. Defence Liaison Group is shown at Annex A. Personnel involved in this organization number 54 permanent staff plus about 30 temporary duty personnel at any one time. Provision has been made to have U.S. Liaison officers in the Indonesian Services' headquarters.

Background and Impression of U.S. Military Aid

4. United States military aid to Indonesia began in 1967 with an allocation of funds totalling US\$7m. for that year. Since then there was a progressive build up to US\$2m. in 1968 and US\$5.5m. in 1969 and 1970 respectively. There was a dramatic escalation to US\$10m. in 1971. The programmed amount for 1972 was US\$5.7m. but that was reduced to US\$12m. as a result of the over-all cuts in the American foreign aid programme.

5. A sum of US\$30m. has been requested for 1973. Not

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included in that figure is an additional \$112m. to cover packaging and shipping. Priority for the original projects in the Military Aid Programme (MAP) were given by the Indonesian National Security Council. MAP is the coordinating body for all military aid does not allocate priorities for the various projects but would do so in the event of any significant reduction in the amount of U.S. aid funding. It is believed they have prepared a priority list against a contingency of up to a 10-15% cut in aid funds but the DDC do not know that order of priority.

The 1972/73 Defence Aid Projects

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6. The U.S. Military Aid Programme comprises seventeen separate projects as follows:

7. Airborne Brigades. It is planned to fully equip a 2 airborne brigade force to be based in Java. Equipment to be provided includes personal equipment, small arms, 105 mm field guns and vehicles up to 2 1/2 tons. Mention was also made of equipping two additional airborne battalions. When questioned about the capability of the Indonesian Air Force to provide airlift for the airborne brigades, the DDC representatives believed that TNI-AU could do so with their present C47C and C47 aircraft over a period of time but certainly not in one lift. Funding for the Airborne Brigade project is \$152.94m. in 1972 and \$156.04m. in 1973.

8. Communications Network. The installation of a HF radio communications network is due to be completed in 1975. Funds allocated are \$12.50m. in 1972 and \$14.50m. in 1973.

9. Intelligence Devices. This is a new special project for which \$1.00m. has been allocated for 1973. It includes the provision of radio and photographic equipment, but not sophisticated devices such as sensors.

10. Support of U.S. Origin Aircraft. The maintenance and spares support for about 400 aircraft already supplied to Indonesia is programmed to cost \$13.07m. in 1973 compared to \$12.76m. in 1972.

11. Support of U.S. Origin Ships. Support for 24 ships provided by the U.S. will cost \$12.04m. in 1973 compared to \$11.71 m. in 1972. The reason for this will be apparent later in this report when mention is made of a DE ship to be provided in 1973.

12. The F51 Project. "Project Large Long" Six F51 aircraft given to Indonesia cost \$11.02m. of the aid grant in 1972 but no funds have been programmed for that project in 1973.

13. Upgrade Vehicle Maintenance Facilities. The Indonesian military vehicle maintenance facility is at M. 400 and upgrading of that facility is estimated to cost \$11.35m. in 1973, comparable to the \$1.34m. in 1972. This is a new project and the DDC officers expressed an interest in a similar Australian project in Thailand.

14. Upgrade Aircraft Maintenance Facility. This maintenance depot at M. 41, M. 400, which is mainly concerned with the repair, overhaul and maintenance of C47C aircraft provided by the U.S. is to receive \$12.00m. in 1973 compared to \$11.00m. in 1972.

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15. Naval Ship Maintenance Facilities. The naval dockyard at [redacted] is to be upgraded at a cost of \$14.85m. in 1973. Funds allocated in 1972 were \$1.54m.
16. Provide and Launch 1 US Ship. It is planned to provide the Indonesian Navy with one destroyer type ship in 1973 at a cost of \$11.5m. The class of ship was not disclosed by USG because there is still some doubt about this. This matter was probably discussed by the U.S. Chief Naval Staff during his recent visit to Jakarta.
17. F35 Aircraft Project. Sixteen surplus USAF F35 trainer aircraft will be delivered to the Indonesian Air Force in March/April 1973. They will be based at Iswahjudi OAB. \$11.80m. is budgeted for this project in 1972 and \$11.25m. in 1973. Costs include aircraft spares, a small amount of training of Indonesian personnel in U.S.A. and a small advisory group of USAF personnel at Iswahjudi. Major overhaul of the F35 engines will be done by TAI at Lalang using facilities already there and used previously for overhaul of Mig engines.
18. Support In-Country Schools. The support of Indonesian military training establishments is considered very important by the USG and this project has been allocated \$11.97m. in 1973, more than double the \$3.80m. in 1972. Aid includes training aids, provision of language training facilities and books.
19. Professional Training. Approximately 200 Indonesians undergo a variety of training courses in U.S.A. each year. The cost of this is \$1.49m. in 1972 and \$1.35m. has been allocated for 1973. The number of students proceeding to the U.S.A. is limited by the availability of rupiah for allowance payments.
20. Aircraft Acquisition. An amount of \$11.02m. has been budgeted for additional U.S. aircraft. Apart from the F35 aircraft already mentioned the U.S. plan to provide one C130 each year and very recently included are 24 helicopters. This was a late addition to the programme for which special funds have been allocated. Planned delivery is 12 C130 aircraft this year and 12 C130 aircraft in 1973. There were no funds allocated for acquisition of aircraft in 1972 and \$11.02m. is budgeted for 1973.
21. National Police. Allocation of funds for aid to the police force has been increased from \$5.16m. in 1972 to \$11.70m. in 1973 for maintenance of vehicles, training, laboratory facilities and an anti-narcotic programme.
22. Support of U.S. (Civil) Vehicles/Engineer Group. This consists mainly of supply of spare parts for which \$11.50m. is allocated in 1972 and \$11.70m. in 1973.
23. Acquisition of Engineering Equipment. Although \$11.09m. and \$11.11m. are allocated for 1972 and 1973 the recent has been removed from this project and it is expected that it will not be included in the aid in 1974. This is indicative of the change from civic mission aid to pure military aid.

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#### Future Projects

24. Mention was made of additional projects which were being considered for the future (1974) and the most important of these are:-

- a. The equipping of a mechanized brigade with armoured cars. (wheeled not tracked).
- b. The establishment of a surveillance radar infrastructure in Java for air traffic control. A U.S. study team is presently examining Indonesian capability in this regard.
- c. The building of a naval repair base for small craft.

No estimation of costs were given for these possible projects.

#### Conclusion

25. In return for the foregoing information the Service attached advised the U.S. representatives of the current U.S.-Australian Defence Cooperation Programme. There is little doubt that the Americans are extremely enthusiastic about Australia entering into the field of military aid in Indonesia and are eager to assist with advice based on knowledge gained over several years experience in these matters in Indonesia.

26. The impression is that the U.S. Military Aid Programme in Indonesia is proceeding smoothly and that the U.S. is a reasonably efficient organization adequately staffed for the tasks in hand. The meeting was of value in informing us of the exact extent of the U.S. aid in this country and continuing exchange of information may prevent unnecessary duplication of effort in the provision of aid.

27. It is felt that a friendly close liaison has been established with the U.S. Defence Liaison Group and the proposals for future meetings are welcomed. Any comments you have concerning this report, particularly in regard to future meetings and the inclusion of the Indonesians at those meetings would be appreciated.

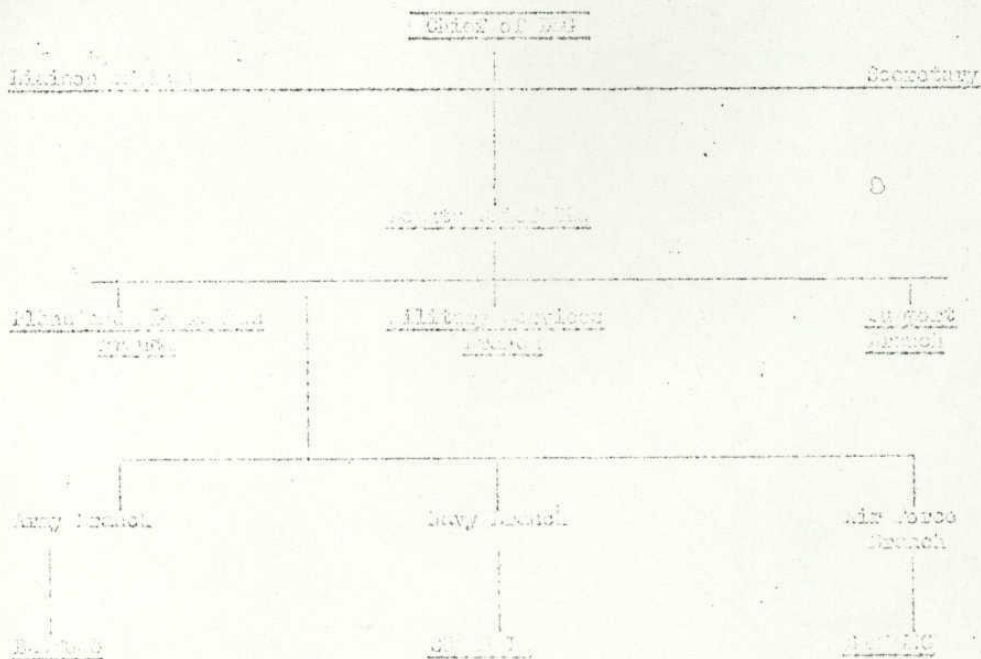
*(Signature)*  
(J.A.P. Feldman)  
Group Captain  
Air Attache

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Amended to 1/7/48

ORGANIZATION OF  
UNITED STATES MILITARY GROUP IN THAILAND



Also include activities in military services' organizations.





3034/11/161 (27)  
(see p. 2)  
**CONFIDENTIAL**

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OFFICE OF THE HIGH COMMISSIONER FOR AUSTRALIA.

CENTRAL REGISTRY  
G D.E.A. G

AUSTRALIA HOUSE,

LONDON, WC2B 4LA

Memo. No. 969

Oct 3 6 30 PM '72

29th September, 1972

NON-INDEX. SUBMIT

The Secretary,  
Department of Foreign Affairs,  
Canberra.

Anglo-American Official Talks on Asian Affairs;  
Mr. Heath's Visit to Japan; Anglo-Chinese Relations

Sir Eric Norris, Deputy Under-Secretary in the Foreign and Commonwealth Office for Asian and Pacific Affairs, returned at the beginning of the week from the ISS Conference in Quebec and some later official talks in Washington. I forward herewith a Record of a conversation that I had with him yesterday about these talks and also about Mr. Heath's recent meeting with the Japanese Prime Minister. This may supplement what you will have received from our Washington and Tokyo Embassies.

2. You will note what the Americans had to say to Norris about relations with the White House. Presumably this would be relevant to our own talks in the ANZUS framework.

3. Here and there I am afraid I could not fully follow Norris, and also I pushed him along at some points to ensure that there was time left for other subjects. Some of the Record is therefore rather thin and a little confused. Unfortunately there was no time to pursue the discussion on Japan, but I received a strong impression that British policy sees a requirement to get the Japanese to accept more responsibilities and burdens, in trade policy, energy resources management and political and security involvement. Referring to Japan's military budget, Norris said that the Japanese were getting "a free ride" and other incidental comment suggested that the British may be looking for accelerated military development by Japan. We shall be following this up.

*W. B. Fritchett*  
(W. B. Fritchett)  
Deputy High Commissioner

*Mr R A Walker - to retain*

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**CONFIDENTIAL**



Record of Conversation with

Sir Eric Norris, KCMG,  
Deputy Under-Secretary of State,  
Foreign and Commonwealth Office.

on

Thursday, 28th September, 1972

Officer present

Mr. W. B. Pritchett

Subjects

Anglo-American Official talks on  
Asian affairs;  
Mr. Heath's visit to Japan.

Norris said that the chief impression he and his team had brought back from Washington had been of the great gloom in the State Department about the extent to which it was kept uninformed and uninvolved by Kissinger and the White House. Contacts from Marshall Green down had confessed that they frequently did not know what White House intentions or activity might be; what they themselves were saying therefore did not necessarily represent the American position. Norris commented also on the degree to which people like Green and Sisco were required to play a public relations and political role.

#### Indo-China

2. Norris said that the discussions on Indo-China had been pretty inconclusive. The British had sought to find out how the Americans assessed whether Hanoi would opt for a settlement or for guerrilla warfare and what the prospects might be in either case. Norris said that clearly guerrilla warfare would offer considerable difficulties for the Americans. However, the Americans would not be drawn. They appeared to expect some sort of renewed military attack by Hanoi related to the US elections; the British had no intelligence on this and their assessments suggested that neither the North nor the South was at present strong enough to mount military operations.

3. Norris said that the Americans had repeatedly indicated that if President Nixon were re-elected he would get "very tough" in Vietnam. The British had sought to probe this: would the Americans, for example, bomb the dikes, or flatten Hanoi? The Americans had sundered away from such specific thoughts - the President would not do anything "inhuman" - but continued to speak in vague terms of tough future policy.

4. Dealing with the deteriorating situation in Cambodia, the British had sought to float some discussion of the possible return of Prince Sihanouk. The American reaction had been so violent, however, that the British had dropped that subject. The Americans' main interest under the Cambodian item was to press the British relentlessly for another contribution to ESF. The British had said that they would not contribute: they no longer entered into arrangements for this sort of budgetary support, except perhaps in some remaining dependent territories. Anyway, any money given to Cambodia would be money down the drain, although the British would continue their own small aid programme. The Americans had continued to press and had even called in the British

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Minister to make sure that Norris gave the subject attention on his return to London. Norris said that in his own personal view he would not mind simply halving Britain's aid contribution, since it was all wasted, and contributing half to the ESF.

#### Thailand

5. The Americans had expressed concern at subversion and insurgency in Thailand and had sought to interest the British in getting the Thais to operate more effectively against this. They had expressed some anxiety about China getting a grip on Thailand through the exploitation of the insurgency situations.

#### Indonesia

6. The Americans had sought to "sell" Indonesia to the British, Norris said, seeking British assistance in regard to debt rescheduling and economic and defence aid. Norris said that Thailand and Indonesia emerged in the talks with the British as clearly the two most important countries in South East Asia for the Americans.

#### China

7. The Americans had asked about Royle's talks in Peking and in particular about Chinese attitudes to South East Asia and to a continuing American presence there. Norris said that he had indicated that these were matters that the Americans could well raise with the Chinese themselves; but he told the Americans of the relatively relaxed attitude taken by the Chinese in the discussions with Royle. The Americans had told the British something of Kissinger's talks in Peking, but this, Norris said, had added little to what was already pretty common knowledge.

#### Five-Power

8. The Americans had expressed considerable anxiety about the possibility of a Labour victory in Australia and a resultant Australian withdrawal of its forces from Malaysia and Singapore. They had sought assurances from the British that in such an event British forces would remain, to which Norris had responded that the British Government had said that their forces would remain so long as they were welcome. The Americans were clearly worried about their exposure in the region, Norris said, and much valued the shelter provided by even a small Australian and British involvement.

#### Pentagonal Balance

9. Norris said that there was some talk by the Americans about the new balance of power in Asia and the Pacific, the "quadrilateral" or the "pentagonal" balance, etc. Norris had taken the view that there was no such thing at present, although such a relationship might develop in the next few years. For all the talk about the collapse of the bi-polar world, the dominant powers were still very much America and Russia and powers judged their relationships with other large powers very much in terms of how this might affect relations with the two super-powers. Japan, Norris commented, though a great economic power was not in a position to play a part in any quadrilateral or pentagonal balance whilst its military development remained so limited.



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The British had talked to the Americans about the need for Japan to start undertaking some share of the security burden in Asia and the Pacific, for example in a naval area. The Americans had shrunk from this, although agreeing that the Japanese should have a larger political role.

#### Korea

10. The British had emphasised that they could hardly rely upon securing deferment of the Korean item again in the UN next year and that there was need to make thorough preparations well beforehand.

#### The Sub-Continent

11. Norris said that there had been a good deal of criticism exchanged between the British and the Americans about their respective policies towards the Sub-Continent. He did not think that British policy over the last 18 months was anything to be proud of, but it was a great deal better than the Americans'. The British had sought to urge the Americans to move towards the repair of their relations with the Indians, but Sisco had strongly resisted this. 'Let the Indians come to the Americans', he had said. 'When they are ready we shall be quite prepared to talk with them about improving our relations and aid matters, but there can be no question of America making any move towards the Indians'. Norris commented that Sisco appeared to be taking a highly political line and ensuring that he was absolutely in step with Kissinger. Norris had resisted this. He had agreed that the central figures in the present regime in Delhi were, for a variety of reasons, strongly orientated towards Moscow, either ideologically or personally, or both, particularly Tiki Kaul. However actions they took as the Indian Government that favoured the Soviet position, such as the recognition of Hanoi or permission to the Soviet to move certain supplies for Hanoi through India, were taken independently as Indian actions and were not merely a carrying out of some Soviet instruction or behest. Sisco would not accept this and insisted that the Indians had moved into a subordinate position in relation to the Soviet. When Sisco had to leave the discussions, other State Department staff had taken quite a different tack and shown considerable sympathy for British suggestions that the Americans take a more forthcoming line with the Indians. Norris acknowledged, however, that the Indians were not making it easy. He referred, for example, to Mrs. Gandhi's treatment of Keating, the former US Ambassador, and said that while he was in Washington reports had come through from Delhi of an article by Mrs. Gandhi in the next edition of some Indian journal on international affairs in which she made a bitter attack upon America. Norris thought that the prospects for a more sympathetic policy by the Americans were not good and he said that after the elections it was likely that the Americans would resume arms supplies to Pakistan.

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Japan

12. Norris reported nothing of particular note from his discussions with the Americans about Japan, but he told me something of Mr. Heath's talks with Tanaka. Mr. Heath, he said, had deliberately steered off any detailed discussion of Britain's difficulties with Japanese imports, but he did raise general questions of Japan's economic pressure on many countries and on the need to come to some workable understanding with the EEC. Tanaka had acknowledged that there were problems, but contended that the solution was not to restrict Japan's economic growth. He might restrict growth - he spoke of holding it to about 8% per annum - but this would be for other reasons connected with problems inside Japan, such as the uncontrolled spread of building, industrial pollution, the poor quality of life in such a rich country as Japan and so forth. Tanaka said that he intended to plough back much more of the national wealth into the improvement of the standard of living in Japan and to liberalise imports and capital investment in Japan. He would also increase aid to 1%. Mr. Heath had welcomed such a programme, but emphasised that very early action was necessary as Japan's pressure was creating serious problems for a large number of countries.

13. Mr. Heath had also sought to "push Tanaka along a bit" in regard to raw materials and energy sources. He had emphasised Japan's great dependence on external supplies and suggested that Japan should be making the same sort of projections as the British had been doing. ~~XXXXXXXXXX~~ Norris was unclear and indistinct at this point of the discussion, but I gathered that the Prime Minister had had in mind particularly Japan's rather unhelpful attitude towards the OPEC discussions.

14. Norris again referred in this context to the small proportion of Japan's GNP allocated to defence spending and indicated that the British considered that Japan could not have things as easy as this for ever.

15. Tanaka said Japan welcomed the developments in Korea, but that he considered the talks would progress extremely slowly, much more slowly than between the Germanies. Tanaka spoke in a relaxed and satisfied way about the rapprochement with China and indicated that Japan was under no particular pressures in this respect, presenting developments as the resumption of a 2,000 year-old friendship. Taiwan offered a certain awkwardness, but the Japanese hoped that they would be able to establish diplomatic relations with China whilst still retaining some form of representation in Taiwan to cover their economic interests. ('No harm in trying to have your cake and eat it too', Norris commented.) Tanaka said that Japan had no intention of concluding a peace treaty with the Soviet unless the Soviet returned all four of the Northern Islands. He did not seem to regard economic co-operation with the Soviet in the development of Siberia as a field offering great scope.

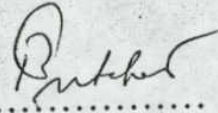
Anglo-Chinese Relations

16. Norris said that the briefs for the Foreign Secretary's visit next month to China were still being considered. There did not seem any major matters of substance likely to come up, although the Chinese

/... 5



would probably press again regarding representation in Hong Kong. It was, however, time that a senior British Minister visited China.

Report prepared by:  .....

(W. B. Pritchett)



(26)  
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DJK Sgramm 60 of 25-8-72

DEPARTMENT OF FOREIGN AFFAIRS

5.

INWARD SAVINGRAM

CONFIDENTIAL

USA

16. The Chief of Staff of the United States Navy, Admiral Zumwalt, visited Djakarta from 20 to 22 August. During his visit he called on President Soeharto and was later decorated by General Panggabean, Deputy Commander of the Armed Forces.



EMBASSY OF AUSTRALIA

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3034/2/1  
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IN REPLY QUOTE:

16th August, 1972

*Dear Ken,*

Many thanks for your letter of 27 June which I found in my "in" tray on return from leave at the end of July.

I have found your paper on prospects for Indonesia a very great help in my own attempts to read into Indonesia. The Djakarta savingsgrams etc. are filled with information but to a new hand the acronyms are awesome.

Last week I had the chance to go over the ground covered in the paper with Ted Heavner and in fact showed him the "non-Australian" sections. Heavner had just completed two days of de-briefing of the former DCM in Djakarta (Purnell). I would normally have reported the discussion by memorandum but because of the status of the paper I think it is easier if I send you this report by letter. I have not copied this letter to Djakarta, for similar reasons, but I leave that to your discretion.

Heavner thought that the paper was an excellent summary of the likely prospects. He said that Purnell had expressed his assessment of the prospects in Indonesia as "cautiously pessimistic". Prior to his own talks with Purnell, Heavner had not been too alarmed at the prospects although well aware of the growing problems. As he now saw it the three main problems for the future were:-

- (a) Suharto's apparent desire to achieve a "perfect political system" (by the means explained in paragraph 1 of the paper);
- (b) almost insoluble nature of the Indonesian (or more particularly Javanese) economic problem; and
- (c) growing amount of "nest feathering" by senior military officers.

The following are some of the more detailed comments which Heavner made:-

- (a) he accepted that the Indonesian government seemed bent on destroying the political expression of Islam but he had some doubts about just how far this could be taken without some form of a "backlash".
- (b) he made a similar comment about the trade unions where he thought that the government had already run into some obstacles.

.../2

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- (c) he had asked Purnell about the reduction in the size of the armed forces and had been told that the U.S. Embassy had not been able to obtain any clear picture of how far this had gone - if at all.
- (d) he was inclined to think that the main danger with the abuse of position by some military officers would be from within the military both from the "clean" generals and the junior ranks.
- (e) despite the recent economic progress the economy is at best fragile. Heavner thought that the fact that the IBRD had not yet been able to do a comprehensive assessment of the economy was telling.
- (f) he had little to add on foreign policy except to say that the "resilience" philosophy fitted in perfectly to the Nixon doctrine.

I recognise that the above is not world shattering but it was very useful to have the paper to break the ice with State on this. If there are any further points I could follow up please do not hesitate to let me have them. I'll also try INR out on some of these questions.

*Kind regards,*

*Mack*  
(Mack Williams)

Mr R.A. Walker  
Indonesia/Philippines Section,  
Department of Foreign Affairs,  
CANBERRA A.C.T.

CONFIDENTIAL

*Indonesia, Philippines*  
(25)

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CONFIDENTIAL

CONFIDENTIAL 16 AUGUST 1972

FROM WASHINGTON

TO WELLINGTON 1859 ROUTINE

RPTD DJAKARTA 8 ROUTINE

SAVINGS SINGAPORE 6 KUALA LUMPUR 8 TOKYO 17 BANGKOK 21 HONG KONG 19

(VIA WELLINGTON) CANBERRA 3 LONDON 6 THE HAGUE 1 (VIA LONDON)

OTTAWA 7

3034/11/161

INDONESIA AND THE UNITED STATES

YOUR 1705.

WE HAVE INDICATED YOUR VIEWS TO HEAVNER AND HE DID NOT PARTICULARLY DISAGREE. HE REPEATED HOWEVER THAT HIS PERSONAL PREDICTION IS FOR A FIVE-YEAR PERIOD OF RELATIVE STABILITY "ALTHOUGH GOD KNOWS LOTS COULD GO WRONG". ON INDONESIA'S RELATIONS WITH ITS NEIGHBOURS HEAVNER COMMENTED THAT HE HAD SEEN NO REPORTS OF POSSIBLE MALAYSIAN FRUSTRATION BUT ACCEPTED THAT THERE WAS A GROWING POSSIBILITY OF "SLIGHT TENSION" BETWEEN THE TWO COUNTRIES.

2. ON THE LIKELY INDONESIAN REACTION TO A MCGOVERN WITHDRAWAL FROM INDOCHINA WITHOUT FIRST GETTING A CEASEFIRE, HEAVNER CONSIDERS THAT THERE WOULD BE "DEEP DISMAY" AND THAT THE CONFIDENCE OF THE REGIME WOULD BE "SEVERELY SHAKEN", BUT HE WOULD NOT COMMENT FURTHER. (TO HEAVNER AND MANY OTHER STATE DEPARTMENT OFFICERS, HOWEVER, THE POSSIBILITY OF A MCGOVERN WIN SEEMS TO BE HARDLY WORTH CONSIDERING.)

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SECRETARY OF FOREIGN AFFAIRS

17/0200z

CONFIDENTIAL



*Mr. N. G. ...  
...  
CONFIDENTIAL*

CONFIDENTIAL 3 JUL 72

FROM DJAKARTA

TO PP WELLINGTON 329 PRIORITY

RPTD SAVINGS SINGAPORE 6 KUALA LUMPUR 4 BANGKOK 6 TOKYO 4  
CANBERRA 2 WASHINGTON 4 SAIGON 4 HONG KONG 4

INDONESIA : VISIT BY U.S. SECRETARY OF STATE

WE ASKED GALBRAITH, U.S. AMBASSADOR, WHETHER ROGER'S STATEMENT ON ARRIVAL 30 JUNE "WE IN AMERICA FULLY RESPECT INDONESIA'S INDEPENDENT AND NON/ALIGNED FOREIGN POLICY." PRESIDENT SOEHARTO'S RECENT VISITS TO AUSTRALIA, NEW ZEALAND, THE PHILIPPINES AND JAPAN REFLECT THE EMPHASIS HE PLACES ON REGIONAL COOPERATION IN ASIA" WAS INTENDED AS AN ENDORSEMENT OF THE INDONESIAN CONCEPT OF NATIONAL AND REGIONAL RESILIENCE AND ITS COROLLARY BY JAPAN INDONESIAN AUSTRALIA/NEW ZEALAND TRIANGLE AS DESCRIBED IN OUR MEMO OF 27 JUNE (REF 221/1/1). GALBRAITH SAID NO SUCH IMPLICATION HAD BEEN INTENDED ALTHOUGH HE WAS WELL AWARE THAT THIS CONCEPT WAS THE TOUCHSTONE OF MUCH OF THE PRESIDENT'S THINKING.

2. WHEN ROGERS MET MALIK THE LATTER HAD SPOKEN OF THE PRESIDENT'S VISITS TO AUSTRALIA, NEW ZEALAND AND JAPAN AND OR MR MCMAHON'S VISIT HERE AS EVIDENCE OF INCREASING REGIONAL UNDERSTANDING AND COOPERATION. THE AMERICANS HAD WELCOMED SUCH DEVELOPMENTS BUT THEY HAD NOT FORMED A MAJOR TOPIC OF DISCUSSION.

3. AT A SUBSEQUENT MEETING WITH THE PRESIDENT, THE MAIN ISSUE HAD BEEN THE INTENTIONS OF CHINA AND THE USSR IN SOUTH EAST ASIA IN RESPONSE TO THE APPLICATION OF THE NIXON DOCTRINE. THE PRESIDENT'S FEAR WAS THAT WITH DEADLOCK ALONG THE SINO-SOVIET FRONTIER SOUTH EAST ASIA WOULD BECOME A FIELD OF MANOEUVRE FOR THE RIVAL COMMUNIST

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POWERS WITH CONSEQUENTLY INCREASED TENSION AND INSTABILITY. ON BALANCE THE AMERICANS THOUGHT TENSION IN THE AREA WAS LIKELY TO DIMINISH, BUT THEY DID NOT KNOW FOR CERTAIN AND WOULD THEREFORE KEEP THEIR GUARD UP. IT WAS THEIR INTENTION, THE PRESIDENT WAS TOLD, TO CONTINUE TO DO WHAT THEY COULD TO PROMOTE THE NATIONAL STRENGTH OF COUNTRIES IN THE AREA AND TO ENHANCE REGIONAL COOPERATION. ROGERS ALSO SUGGESTED THAT WITH THE DECLARATIONS AGAINST INTERFERENCE IN INTERNAL AFFAIRS NOW ON RECORD, THE AMERICANS COULD WHEN NECESSARY QUESTION THE CHINESE OR RUSSIANS IN CASES OF EXTERNALLY SUPPORTED SUBVERSION.

4. THE PRESIDENT ALSO EXPRESSED FEARS OF THE ESTABLISHMENT OF A YUGOSLAV TYPE COMMUNIST REGIME IN SOUTH VIETNAM. HE WAS TOLD THAT IN THE AMERICAN OPINION THE SOUTH VIETNAMESE WERE STRONG ENOUGH TO HOLD THEIR OWN AND THAT BOTH THE CHINESE AND RUSSIANS NOW WANTED A NEGOTIATED SETTLEMENT. THE PRESIDENT HAD BEEN GIVEN ADVANCE NOTICE OF THE DECISION TO RESUME NEGOTIATIONS IN PARIS.
5. THE VISIT SAID GALBRAITH DID NOT CHANGE THE FACTS OF THE SITUATION OR ACHIEVE ANYTHING CONCRETE BUT WAS PART OF A CONTINUING PROCESS OF REASSURANCE OF AMERICAN INTEREST IN THE SAFETY AND WELFARE OF ITS FRIENDS AND THE STABILITY OF THE AREA.
6. WE ASKED WHETHER MALIK'S RECENT TRIP TO THE MIDDLE EAST HAD BEEN DISCUSSED. WE WERE TOLD IT WAS SIMPLY TOUCHED ON IN PASSING. GALBRAITH AGREED WITH OUR VIEW THAT IT WAS MAINLY "WINDOW DRESSING" IN ORDER TO PREVENT THE ARABS BEING HURT AT THEIR APPARENT NEGLECT BY INDONESIA IN RECENT YEARS.

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7. RETURNING TO THE CONCEPT OF RESILIENCE GALBRAITH NOTED THAT THE THEORETICIANS LIKE ALI MURTOPO AND SUDJONO HUMARDANI WERE INCLINED TO BUILD UP INTELLECTUALLY LOGICAL STRUCTURES AND SUBSEQUENTLY TRY TO CLOTHE THEM WITH REALITY. FOR HIS PART HE WAS NOT SURE WHAT SUBSTANCE THE CONCEPT MIGHT IN FUTURE HOLD. FOR THE PRESENT THE TYPE OF BILATERAL RELATIONSHIPS BEING DEVELOPED WERE IN KEEPING WITH AMERICAN IDEAS ON REGIONAL COOPERATION.

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SECRETARY OF FOREIGN AFFAIRS  
04/2200z

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Amelson.  
13/1/72.

S.E.A.



Pol. Planning Talks,

→ 3034/11/161

Jap-Austr. Tokyo 7-11 Feb

B2

Mr Masao Kanazawa, DFA  
Mr Y. Kato

Mr R. Holdich  
Mr Lewis

13. As regards the "grey areas" referred to by Dr Kissinger, Japan was looking closely at the facts rather than the theories. Japan believed that the American commitment to Taiwan was firm, and the American commitment to Viet Nam had given that country a chance to retain its

.../5.

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SECRET

independence after American troops had been withdrawn. Mr Kato intervened to say that during recent policy planning talks between America and Japan, the United States side had constantly emphasised the importance to the United States of "peninsular and insular" South East Asia. When I asked him what they meant by this, Mr Kato said that the area began with Malaysia and included Singapore, Indonesia and the Philippines. It did not, however, include Thailand or Indo-China. Mr Kato would not let himself be drawn further on this, but he implied that Thailand and Indo-China seemed less important to some United States officials than "peninsular and insular" South East Asia.

*Stop pl.*

SECRET



CENTRAL REGISTRY  
D.E.A. 0

JUL 10 12 07 PM '72

ADM. INDEX. SUBJECT

AUSTRALIAN EMBASSY  
DJAKARTA

In reply quote No. ....  
Memorandum No. 1182

7 July 1972

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3034/11/161

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

ENCLOSURES ATTACHED

SECRETARY ROGERS' VISIT TO INDONESIA

Please refer to our savingram 46.

- ....
2. A record of conversation with the U.S. Embassy political Counsellor Flott is attached. In addition to the points mentioned in the record as discussed between Malik and Secretary Rogers, they also touched on Bangladesh. Their exchange did not add to established positions. Rogers in response to Malik's description of the oil loan negotiations with Japan warmly welcomed their outcome. When he described the PRG approach to Malik, Flott indicated that he would work towards Indonesian involvement in a Viet Nam settlement if this looked at all feasible.
- ....
3. "Antara" reports of Secretary Rogers' public statements during his visit are attached.
- ....
4. Copy of this memorandum sent to Washington; copy attached for JIO.

*Mr. Rogers  
pls distribute  
as required  
W 12/7*

*A.D. McLennan*  
(A.D. McLennan)

*cc'd AM  
IC for JIO  
1 copy sent for  
other files*

SECRET



**SECRET**

File No. [REDACTED]

**AUSTRALIAN EMBASSY, DJAKARTA**

Record of Conversation with Flott, Political Counsellor, U.S. Embassy

on 4.7.72

Officers Present A.D. McLennan

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**MAIN SUBJECT(S):**SECRETARY ROGERS' VISITOfficial Talks with Adam Malik

Flott showed me the draft record of Secretary Rogers' discussion with Adam Malik on 30 June. He said this was in breach of normal State Department rules, because the record had not yet been cleared with Secretary Rogers and contained material on U.S. relations with Australia. Please safeguard appropriately.

2. Officials present on the U.S. side included Ambassador Galbraith, Marshall Green, McCloskey, Flott and two Washington based officers accompanying the Secretary of State; on the Indonesian side A.B. Lubis, Didi Djajadiningrat, Mrs Artati, Alex Alatas and Maimun (U.S. desk officer).

3. Secretary Rogers proposed discussion in the following order:

1. Indonesian views of East Asian situation.
2. U.S./Indonesia relations.
3. President Nixon's visit to Moscow and Peking.

He deliberately left the presidential visits until last so that these could be covered in more detail with President Soeharto. In the event his talk with Malik concentrated on the first two points.

4. Australia. Malik said that President Soeharto's visit to Australia and New Zealand was intended to draw these countries more into the South East Asian region. He professed optimism about the development of Australia's relations with Indonesia over the next three years, especially in the security field where there was important scope for cooperation. Security relations with Australia had now extended beyond intelligence exchanges to proposals for joint exercises. Indonesia warmly appreciated the gift of Sabre aircraft. As old aircraft these were not a significant addition to military capability but would be useful for training.

**DISTRIBUTION:****FOLLOWING POSTS:**

Report prepared by

A.D. McLennan

**ACTION:**

National Archives of Australia

NAA: A1838, 3034/11161 PART 17

**SECRET**



SECRET

Malik expressed the hope that U.S. defence aid (sic) to Australia would continue (though not at direct cost to U.S. aid to Indonesia) so as to add to Australia's capacity to assist Indonesia in the defence field. Secretary Rogers said that U.S. defence aid could be made to intermesh with Australian assistance. For instance the T-33 aircraft could use the facilities being developed for the Sabres. Malik added that, during President Soeharto's visit to Australia, the Indonesians had proposed some definition of the trilateral Australia-Indonesia-Japan relationship but both sides had agreed this would present difficulties. 59

5. Malacca Straits. Discussion of the Malacca Straits issue was along established lines. Malik noted that passage of the straits was important for Australia for defence reasons and in the case of Japan for oil supplies. Australia had no worries. Her naval ships could be assured of innocent passage; only notification was required. Equally the Japanese could be assured of passage of tankers up to 200,000 tons. Larger tankers could use the Lombok Straits.

6. Philippines-ASEAN. During President Soeharto's visit to the Philippines the Indonesians had indicated support for President Marcos's idea of a summit meeting and had suggested that this should be worked up through ASEAN channels. In fact they believed that Marcos's motives for the summit in an election year were domestic. Not all the ASEAN members wanted a summit. The Indonesians were sceptical about the chances of a meeting on a broader basis than ASEAN. On U.S. bases in the Philippines, Malik told Secretary Rogers that he thought the Filipinos really wanted to retain them.

7. Japan. President Soeharto's visit had both political and economic aims. Malik described the economic negotiations in familiar terms and said that the Japanese credit of \$200 million would be used for oil and related infrastructure development. Politically, the Indonesians wanted to look over the LDP factions. For a number of reasons Malik favoured Fukuda as Prime Minister Sato's likely successor despite Tanaka's apparent advantages. On Japanese foreign policy he distinguished three groups who could have influence in the future: those business interests who favoured developing relations with the PRC; other business interests who looked to the Soviet Union instead; and nationalists who favoured Japanese militarization and rearmament. Malik indicated that he was particularly worried about the latter group and, to counter their influence, he had urged the Japanese leadership to maintain a low military posture and pursue a non-aligned foreign policy. Malik was doubtful that Japan would gain much in the way of expanded economic opportunities by developing her relations with the USSR. He thought that the Russians would not be big enough to return the northern islands. Secretary Rogers, referring to "the Nixon shocks", said that the Japanese were aware of general United States policy intentions. It had been necessary to keep the timing from them and this was the only element of surprise.



He believed that U.S./Japanese relations had suffered no lasting damage.

8. Taiwan/PRC. Malik referred to Japan's extensive economic relationship with Taiwan as an important binding tie. Secretary Rogers stressed the great importance that the United States attached to her relationship with Taiwan. President Nixon had shown by his visits to Peking that it was possible to come to reasonable terms with the communist side without sacrificing Taiwan. Malik sought Secretary Rogers' advice on how Indonesia should handle PRC pressure to exclude Taiwan from the IMF if this issue was raised at the September meeting when Indonesia was in the chair. In reply Secretary Rogers emphasized strongly that Taiwan's exclusion would provoke a very bad congressional reaction, especially as the PRC would not want to join the IMF.

9. PT Suburi. Secretary Rogers inquired about the implications of the PT Suburi affair and was assured that there had been no change in Indonesian policy on foreign investment.

10. Korea. Secretary Rogers said that the United States regarded the talks between North and South Korea as very important. Malik noted with interest the visit to Indonesia by the North Korean Deputy Foreign Minister after President Nixon's visit to China.

11. Viet Nam. Secretary Rogers expressed doubt that there would be real progress towards a negotiated settlement before the U.S. elections. Malik said that, just before his departure for the Middle East, the PRG representative in Djakarta had called at his own request. (Malik in fact had delayed his departure to receive him.) Their discussion was confused by language difficulties but Malik understood the representative to say that the PRG would be prepared to enter into negotiations with "anyone" on the Saigon side as soon as U.S. forces were withdrawn. This offer seemed not to exclude Thieu, though that was not explicitly stated. Malik also related how he had ticked off Soviet Ambassador Volkov during his farewell call about Russian responsibility for the war by arming Hanoi when they, the Russians, were unable to control events.

12. United States policy. Before Secretary Rogers' visit Flott represented it to us as chiefly to explain President Nixon's visits to Peking and Moscow. He said that Secretary Rogers had assured President Soeharto during his call on 1 July that nothing underhand had occurred nor were secret agreements contracted with the Russians and Chinese. United States policy remained firm. Flott did not go into further details. He believed that President Soeharto had accepted the assurances.



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21.

WILLIAM P. ROGERS ARRIVES

By Ronnie Muntu

DJAKARTA, JUNE 30 (ANTARA).--

United States Secretary of State William P. Rogers arrived here Friday afternoon aboard the U.S. Presidential plane from Sydney for a whirlwind one-day visit to Indonesia during which he was expected to have a busy round of talks with his Indonesian counterpart Adam Malik.

And although Mr. Rogers did not spell out the subjects to be discussed it was reliably learned that President Nixon's recent trips to Peking and Moscow, the European security situation, the latest developments in Vietnam, the change of leadership in Japan and relations with China in the context of South-east Asian security would be discussed.

While the 30 odd journalists present in the VIP-Room of Kemayoran airport were unable to engage Mr. Rogers in any questions, United States Information Service (USIS) people were busy distributing Mr. Rogers' arrival statement in which he called Indonesia "a major contributor to stability in Asia".

"This is in large part because your government recognizes the close link between sound economic development and stable political development. The progress this country has made in reducing inflation and maintaining a consistent growth rate of over six percent is a model for Southeast Asia", the statement said.

Emphasizing the U.S. Government's full support for Indonesia's independent and non-aligned foreign policy, Mr. Rogers said "we share with you the belief that Asian approaches to Asian problems are the best way to ensure a more peaceful Pacific".

Mr. Rogers also stressed that President Nixon's recent summits in Peking and Moscow were not aimed at disturbing the growing pattern of stability in Asia and other parts of the world, but rather to give that stability a more realistic and enduring foundation.

Important subjects

Meanwhile Mr. Malik, who was at the airport to welcome Mr. and Mrs. Rogers and their party, confirmed that the present developments in Vietnam and the position of Japan in the light of the impending leadership will be among the major topics of discussion.

"And in addition we will probably discuss President Nixon's recent visit to Moscow and Mr. Rogers is likely to ask me about my visit to the Middle East", he added.

Mr. Rogers, who is stopping over in Djakarta after attending the SEATO ministerial meeting in Canberra, during his discussions with Mr. Malik will be flanked among others by a by now very familiar face in Indonesia, U.S. Assistant Secretary of State for East Asia and the Pacific Marshall Green, as well as State Department spokesman Robert McGloskey.

Mr. Green.....



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Mr. Green had his hands full shaking hands with all the friends and acquaintances he acquired during his spell as Ambassador to Djakarta and many subsequent visits to this country. "You can't get rid of me, it seems I am in East Asia to stay", he quipped.

Mr. Rogers himself remarked that he still had extreme pleasant memories from his visit three years ago when he accompanied President Nixon to Indonesia and said "we in America have a soft spot for Indonesia and what happens here".

After all the exchange of pleasantries at the airport were over, Mr. and Mrs. Rogers and their party boarded the waiting cars and for the U.S. Secretary of State it was the start of a hectic and cramped schedule.

(T43/3513/Q9)

22. ADAM MALIK: INDONESIA DEPLORES FRANCE NUCLEAR TESTS

DJAKARTA, JUNE 30 (ANTARA).--

Indonesian Foreign Minister Adam Malik said here Friday Indonesia strongly deplores the current French nuclear tests in the Pacific as well as any other tests carried out in the atmosphere.

"In this we still full support the U.N. resolutions on the matter and the U.N. nuclear test ban, of which we are one of signatories", said.

Adam Malik, who was waiting at the airport to welcome the arrival of his American counterpart William P. Rogers, did not say, however whether Indonesia had lodged any official protest with France like has been done by Australia and New Zealand.

"France is well aware of our position on this matter", he said.

(T43/4013/Q9)

23. GENERAL ROMEO ESPINO CALLS ON PRESIDENT SOEHARTO

DJAKARTA, JUNE 30 (ANTARA).--

The Chief of Staff of the Philippine Armed Forces and Mrs. Romeo C. Espino today paid a courtesy call on the President and Mrs. Tien Soeharto at the Tjendana House and exchanged souvenirs.

General Espino and his wife arrived here yesterday for a three-day visit to Indonesia as guests of the defence and security ministry.

(T307/5013.405/Q9)

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9. MINISTER ADAM MALIK RECEIVES JORDAN'S STAR  
BEIRUT, JUNE 26 (ANTARA BY ANTARA)

Indonesian Foreign Minister Adam Malik and core members of his official party when on an official visit to Jordan recently were awarded Jordan's Royal Star by King Hussein.

Adam Malik received the "Al Kaukab" (first class) Star, while Didi Pindadilaga, the Director general for political affairs of the foreign office, A.B. Lubis and Alex Alatas, each received similar stars (second class).

The Indonesian Charge d'affaires to Saudi Arabia pluralistically to Jordan, H. Mubd Jusuf Dadri, was also awarded with the Al Kaukab Star (second class) for his services contributing to the successful visit of Foreign Minister Adam Malik to Jordan.  
(TA 12/317/403/Q12)

10. PRESIDENT URGES HOTELS TO USE BATIK  
DJAKARTA, JUNE 30 (ANTARA)

President Soeharto has urged the use of Indonesian materials especially batik in the interior decoration of new hotels. The President made the suggestion during a visit to a batik display in Jogjakarta when he visited the city Thursday to officially open a new educational project the so-called Development School (Sekolah Teknologi Pembangunan).

President Soeharto told the head of the Jogjakarta Industrial Service Kusumonegoro there were today many beautiful batik designs and the basic materials used had improved much.

President Soeharto suggested that doors' screens in hotels be made of batik and that Indonesian handicraft be used for the purpose of interior decoration of new hotels. He also called for increasing sale's promotion efforts abroad of batik products.

Meanwhile the head of the Jogjakarta industrial service said the CV Kusuma Trading Company was to export handicraft articles to the Netherlands worth about one million rupiah.

On the batik producers who had closed down their business he said they belonged to the category of people who instead of actively producing batiks had sold their operating licences.

Today there was no more room for speculations; one must really work to achieve progress and learn how to manage an enterprise, he said.  
(T307/411/Q12)

11. ROGERS-MALIK TALKS  
DJAKARTA, JUNE 30 (ANTARA)

The visiting U.S. Secretary of State William P. Rogers had a two hours meeting with his Indonesian counterpart, Foreign Minister Adam Malik at the Foreign Ministry

24.504

(Q12)

Building...



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Upon arrival in the island, the hippies are wearing fine clothes. However, after two or three days, they take off their fine clothes and put on their hippie outfits.

Hippies can have their meals at very small foodshops, so that they spend only a maximum of US\$ 1. a day.

The government obtains no profits from hippies, the police chief said.

(K30B/401/Q12)

6. TRANSFER OF POST

DJAKARTA, JUNE 30 (ANTARA)

State minister for security, defence affairs and deputy commander in chief of the armed forces General M. Panggabean Thursday morning officiated a ceremony marking the transfer of post of personal secretary to the deputy commander in chief of the armed forces from Colonel C.A.D. M. Usman Rasuly to Colonel KAV Basuki Hardjopiwirio.

(K30B/401/Q12)

7. AMERICAN STUDENTS IN BANDUNG

BANDUNG, JUNE 27 (ANTARA)

Miss Anita Covington, Miss Sally Miller and Bill Knuths, all high school students from the United States, who have come to Indonesia (Bandung) on an American Field Service International grant, began to attend SMA classes in Bandung.

The subjects they are taking include Indonesian history, Indonesian geography, Bahasa Indonesia, English, mathematics and sports.

Staying in Indonesia up to August this year, they are living with Indonesian families to enable them to get acquainted with Indonesian customs and traditions the most effective way.

(TBdg05/206/403/Q12)

8. RIAU INFORMATION CHIEF TRANSFERRED TO DJAKARTA

PEKANBARU, JULY 1 (ANTARA)

The chief of the information service of Riau province has been relieved of his post and given a new assignment at the department of information in Djakarta, it was learned here.

J.P. Sutjipto BA following the new assignment would soon transfer his post here to his successor, Abdul Mufti, formerly an information officer of Bandung. It was not yet known here when the two officials would assume their respective new posts.

(TD.05/311/D.A/3515/Q12)

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Building here but no detailed information was available on the problems they had discussed. A Friday afternoon

Foreign Minister Adam Malik emerging from the meeting told reporters they only exchanged views and each other's standpoints on various international problems. Malik said they took up among others the situation in the Indian sub-continent concerning the tension between India and Pakistan, the recent Nixon's visit to Moscow followed by Kissinger's visit to Peking, the Vietnamese and the Middle East problems.

Malik declined to give further details on the discussions he had with the American Secretary of State Rogers. Malik was flanked during his discussions by HBIN Djafadiningrat and Rogers by American ambassador to Indonesia Francis J. Galbraith and Deputy Secretary of State Marshall Green.

Rogers is scheduled to meet President Soeharto Saturday.  
(T312/411/Q12)

12. MR. ROGERS TALKS ON NEUTRALITY, SECURITY AND ALLIANCES  
(By Ronnie Myntu)

DJAKARTA, JULY 1 (ANTARA)

U.S. Secretary of State William P. Rogers said here Friday evening that the United States would fully support and endorse neutrality for Southeast Asian nations if it was based on independence, non-alignment, welfare and security of the countries concerned.

But when asked on the concept of neutralisation for Southeast Asia as proposed by Malaysia and supported by Indonesia, Mr. Rogers said his Government would first like to have a clearer understanding of the concept because "neutrality means different things to different people".

Facing the local and foreign press at the spacious U.S. Residence at Taman Suropati here after just concluding a bus round of talks with his Indonesian counterpart Adam Malik, the U.S. Secretary disclosed the talks covered a wide range of subjects, foremost among them U. S. President Nixon's recent visits to Peking and Moscow.

He said it was proof of the importance President Nixon attached to U.S. relations with Indonesia that he had dispatched his Secretary of State to give a first-hand account of the results of those historic visits to President Soeharto and other Indonesian leaders. Rogers is scheduled to meet the President at Merdeka Palace Saturday morning.

Speaking on the Nixon visits, Rogers pointed out that the initiative taken by the U.S. Chief Executive in establishing contacts and dialogue with the two major communist powers were aimed at reducing tension and provide peace and stability in Asia and other parts of the world.

(Q12)

Touching...



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Touching on matters of mutual concern between Indonesia and the United States, Mr. Rogers pointed out that Washington had noted with pleasure the increasing role Indonesia had played in international affairs in recent years and that he had personally complimented Mr. Sukarno on the latter's personal efforts through the United Nations and other international forums.

Mr. Rogers diplomatically skirted the Straits of Malacca issue, pointing out that an international conference on the laws of the sea would be held next year and that he was sure that until then a modus vivendi could be reached taking note of the interests of both Indonesia and the United States in this matter.

#### Stand by her alliances

The U.S. Secretary of State, turning to international affairs, was at pains to stress that the United States would stand by her alliances and treaty obligations to various nations in the world and firmly rejected suggestions that those alliances and treaties have lost their usefulness.

He said that it was because of the conditions created by those alliances that President Nixon was able to make his memorable visit to Peking in his quest for peace and stability and that the United States would therefore continue and stand by her obligations.

Mr. Rogers was asked about his recent remark that the United States was going to stay in Asia and elaborating on this he said that "we want to stay in Asia because of our alliances and because our partners want us to stay. We have decreased our presence in Asia in accordance with the present needs but we fully intend to fulfill our obligations".

America's top diplomat also affirmed the United States expected SEATO (South East Asian Treaty Organisation) to continue as an important and useful alliance, although he admitted that it might be adapted to new conditions.

"It will change and follow new approaches but fundamentally it will not change and there will be no change in the treaty obligations", he stressed. But he refrained from directly commenting on reported remarks by Philippine Foreign Secretary Carlos P. Romulo on the need for "a massive SEATO transformation" and only said there was "no disagreement on views between General Romulo and myself".

Mr. Rogers was quick to dispel any notions that he had come here, as suggested by some press reports, to persuade Indonesia to normalise her relations with China because of the importance of this for Southeast Asian security and stressed that "it was entirely up to Indonesia what she wants to do with her own affairs."

And again later, when a lady reporter asked why America was encouraging Indonesia to mediate between Pakistan and Bangladesh, Mr. Rogers replied smilingly: "This is Indonesia's own initiative which we should see in the light of her increasing activity in international affairs. We might approve of this initiative but we certainly did not encourage it".

(T-3/411/Q12)

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The survey should determine the necessity of planned parenthood programs, the areas where they are to be implemented and the periods required to carry out the schemes.

#### Dos and don'ts.

The assembly established that chemicals, devices and other safe methods could be used in the implementation of family planning. The meeting referred to pills, salve, condom, diaphragm and periodic-al restraint.

The use of Intra Uterine Device, commonly known as the spiral, is however not recommended as long as there are still other ways. This is because the application of IUD, when conducted by physicians, will let others see the female's reproductive organ, which is opposed to the Islamic teachings.

Sterilization, which implies the prevention of procreation, both temporarily and permanently, are prohibited according to Islamism. So is the case with abortion.

The IUD application, sterilization and abortion are only allowed in case of emergencies, e.g. to save the life of the mother, or to prevent the handing down of certain diseases.

The consultation was ended with a call on the government to impose stricter control over the importation, distribution and use of pills and other family planning devices to prevent abuses.

Participants of the Moslem meeting were K.H.M. Bishri Sjam-suri, Prof. T.M. Hasbi Ash Shiddieqy, Prof. K.H.M. Sjafi'i A. Karim, H.M. Sjukri Ghazali, K.H. Nasaruddin Latif, K.H. Moh. Saleh Sua'idy and K.H. Moh. Sjudja'i.

(30B/Tz3C6/0023/41C/Q12)

22. Malik :

#### U.S. - SOVIET TALKS INVOLVE WORLD DESTINY

DJAKARTA, JULY 1 (ANTARA)

Indonesia, and indeed all nations committed to peace with justice in the world, have followed with the greatest attention and interest President Nixon's recent visit to Moscow. The initiatives of President Nixon, who is the first American President to set foot in the Kremlin and in Peking in the search for world peace, richly deserve respect and admiration, said Foreign Minister Adam Malik at a dinner given in honour of U.S. secretary of state William P. Rogers and wife here Friday.

The talks held and the agreements reached between the leaders of America and the Soviet Union, the two most powerful nations on earth, cannot but involve the destiny of the entire world. "We share the hope of the majority of mankind, therefore, that the agreements achieved so far signify the dawning of a new era of negotiations in the world", he stated.

24.50.

(Q12)

"But....



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"But peace and security, are indivisible. Thus, while we rejoice at the immediate prospect of greater peace and security in one vital theatre of the world, Europe, as a direct result of the Moscow summit, we regret to observe that conflict and war still afflict many parts of our region of Asia, notably in Indo-China and the Middle East. We express our fervent hope, therefore, that détente in Europe will be the beginning of global détente, giving the promise of lasting peace and security to all nations in all parts of the globe.

"The discussions we have just had this afternoon, have strengthened our belief in the sincere and unwavering determination of the United States to continue to work towards that end.

Malik further indicated that as a developing nation, concentrating its primary efforts at national development, Indonesia needs peace and stability not only at home or in its immediate surroundings, but in the world at large.

"We are deeply appreciative, therefore, of your Government's efforts, and those of the other major powers of the world, in seeking new forms of global cooperation and understanding. We on our part will continue to enhance and strengthen our national resilience, as the basis for our own national progress and as part of our contribution to a more just and durable peace in our region.

"The information which you have shared with us today, have reassured us of your Government's continued commitment to assist Indonesia and the other countries in this area, in their efforts at national and regional development and stability", Malik added.

(30/T2523/410/Q12)

21.30

\*\*\*\*\* E N D \*\*\*\*\*





DEPARTMENT OF FOREIGN AFFAIRS

INWARD SAVINGRAM

[REDACTED]

3034/11/161

From Australian Embassy,  
DJAKARTA.

I.70917

SECRET

To Secretary, Jul 11 09 11 '72  
Department of Foreign Affairs,  
CANBERRA.

TOD N.T.G.

TOR 11.7.72

SAVINGRAM NO. 46

SECRETARY ROGERS' VISIT TO INDONESIA

(Repeated to Washington)

The U.S. Secretary of State visited Djakarta briefly 30 June - 1 July en route from the SEATO and ASEAN meetings in Canberra to the Middle East. In remarks to the press, Secretary Rogers defined the purpose of his visit as to explain President Nixon's visits to Peking and Moscow in the interests of international stability while at the same time emphasising the continuing importance to the United States of her existing alliances and treaty obligations. He was quoted as saying that "we want to stay in Asia because of our alliances and because our partners want us to stay. We have decreased our presence in Asia in accordance with the present needs but we fully intend to fulfil our obligations"; and on SEATO "it will change and follow new approaches but fundamentally it will not change and there will be no change in the treaty obligations".

2. Other significant public remarks by Secretary Rogers included support for Indonesia's "active and independent" foreign policy and of the idea of Asian solutions to Asian problems as the best way to ensure a more peaceful Pacific. He was reported as saying that the United States endorsed neutrality for South-East Asian nations if it was based on the independence, non-alignment, welfare and security of the countries concerned. But, in relation to the Malaysian neutralisation proposals as supported by Indonesia, the U.S. would like to have a clearer understanding of the concept because "neutrality means different things to different people".

3. During his visit Secretary Rogers engaged in lengthy talks with Adam Malik of which the U.S. Embassy gave us a detailed account (please protect). He also called on President Soeharto. Secretary Rogers steered his discussion with Malik onto regional issues and US/Indonesian relations so as to save up for the meeting with President Soeharto his account of the Peking and Moscow visits and affirmation of the continuing resoluteness of United States intentions.



DEPARTMENT OF FOREIGN AFFAIRS

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4. The subjects covered in the Rogers-Malik talks were Australia, Malacca Straits, Philippines and ASEAN, Bangladesh, Japan, foreign investment in Indonesia, Korea, Viet Nam and, briefly, United States policy intentions. We are reporting details by memorandum. The following were the highlights.

5. Australia. Malik said that President Soeharto's visit was intended to draw Australia and New Zealand more closely into the region. Defence cooperation with Australia was particularly important. During the visit to Canberra the Indonesians had suggested some definition of the Japan-Australia-Indonesia bilateral relationship but had agreed with us that this would present difficulties. Indonesian policy on the Malacca Straits presented no problem for Australia because transit of RAM ships was assured on the basis of innocent passage and notification. Secretary Rogers spoke of the advantage of intermeshing U.S. defence aid to Indonesia with Australian aid and said, for example, that the T-33 aircraft which the U.S. would provide under MAP could use the facilities now being developed for the Sabres.

6. Japan took up much of their conversation. Malik argued that Fukuda would receive the LDP leadership despite Tanaka's apparent advantages. In discussing possible future trends in Japanese foreign policy - towards closer relations with China or the USSR, or in the direction of revived militarism - Malik expressed particular anxiety on the last point. He said, with this in mind, he had advised the Japanese leaders to maintain a low military posture and to pursue a non-aligned foreign policy.

7. Viet Nam. Malik told Rogers that just before his recent visit to the Middle East the PRG representative in Djakarta had informed him that the PRG would be prepared to negotiate with "anyone" on the Saigon side as soon as U.S. forces were withdrawn. Though it was not said explicitly, the Indonesians took this to include Thieu.

Comment. DFA make much of their limited contact with the PRG and on other occasions have represented the PRG position as significantly different to that of Hanoi. Malik is anxious to secure a role for Indonesia in any broad settlement in Viet Nam. There are some indications that the Americans would encourage them in this.

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DEPARTMENT OF FOREIGN AFFAIRS  
INWARD SAVINGRAM

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I.70917

8. U.S. Policy intentions and the visits to Moscow and Peking apparently were conveyed to President Soeharto along with the assurances he received. A theme running through Secretary Rogers' discussion with Malik was the firmness of U.S. support for Taiwan. He warned the Indonesians that Congress would react very badly to the exclusion of Taiwan from the IMF in response to PRC pressure.

9. We have not yet had an opportunity to gauge Indonesian reaction to Secretary Rogers' visit.

PRIME MINISTER  
FOREIGN MINISTER  
DEPT FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
JIO  
PMS

ACTION: SEA

SEC A/DEP SEC(A) DEP SEC(B) PR MR BODY FAS(A)  
NA SA SEA FAS(FW) PC EAME FAS(DEF) BP IC  
FAS(DVP) ICH FAS(IO) UNIA FAS(CL) LT FAS(MS)

SECRET

SECRET



*extract*

3034/11/161 20

*Mil. Attache, Jakarta*

*End of Tour Report*

*June 1972*

46

SECRET

SECRET

11.

The US Military Aid Programme (USMAP)

49. The USMAP for 1971/72 indicated a complete change in emphasis in planning, insofar as previously the great majority of the military assistance under this scheme had been directed primarily towards the civic mission type of activity, now it has been directed towards developing a definite operational capacity in each of the Army, Navy and Air Force. The manner in which US/Indonesian discussions and planning have developed has shown quite clearly that HANKAM is exercising much tighter operational control over the Services - no longer do they (the Services) have direct dealings with the DLG as in the past when discussing their individual requirements under MAP.

50. In order to develop a sound basis for planning the requirements of a continuing MAP, HANKAM have produced a broad strategic concept which primarily recognizes the need to build up an effective counter-insurgency capability to deal with both local insurgency and that which is externally supported and inspired. The main effort is to be centered in the Western part of the archipelago i.e. Sumatra, Java and Kalimantan. In broad outline the plan provides for the re-equipping of the following formations:

- a. A formation of approximately Divisional strength consisting of - Two Airborne Brigades  
One Mechanized Brigade  
to be located in Java. (KOWILHAN II)
- b. A brigade of - One Airborne Battalion  
Two Infantry (Raider) Battalions  
to be located in Sumatra (KOWILHAN I).
- c. A brigade of - One Airborne Battalion  
Two Infantry (Raider) Battalions  
to be located in Kalimantan (KOWILHAN III).

51. As far as HANKAM is concerned, the most important items of equipment being provided are communications facilities. Communications equipment will be provided for the other Services, but in accordance with the policy of tighter HANKAM control, Asst 6 HANKAM will be responsible for the control and maintenance of all of it. The communications link between HANKAM and the KOWILHANS has been completed under the FY 71 programme. The plan is now to extend communications facilities from the KOWILHAN level to all KODAMs, KODAU and KODABERs. Further HANKAM will coordinate the upgrading of certain training facilities in Bandung and the maintenance facilities in the Djakarta area which are associated with the provision of the new equipment.

52. The fact that MAP funds allocation will rise from US \$18 million in FY 71 to approximately US \$25 million in FY 72, subject to final congressional approval, the fact that the MAP administrative link is now direct Washington - Djakarta, (CINCPAC is now bypassed), and the fact that the current

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programme looks 5 to 7 years into the future, all indicate the importance the US attaches to the concept that Indonesian military capability must be significantly improved over the next decade. There is no doubt that the aid programme as currently envisaged will contribute significantly towards the achievement of this aim. It now remains to be seen, however, whether the planned upgrading of the logistic system, including the provision of additional maintenance facilities, will be equal to the task.

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OO HCX HAA HNA

ROGERS 6-30  
2ND LD XHBO78 (PVS PERTH)  
DJAKARTA, JUNE 30 (UPI)--U.S. SECRETARY OF STATE  
WILLIAM P. ROGERS ARRIVED TODAY TO DISCUSS WITH INDONESIAN  
LEADERS PRESIDENT NIXON'S VISITS TO PEKING AND MOSCOW  
ASIDE FROM SUBJECTS OF DIRECT BILATERAL CONCERN.  
IN AN AIRPORT STATEMENT UPON HIS ARRIVAL, ROGERS SAID  
+HE (NIXON) UNDERTOOK BOTH JOURNEYS IN THE CONVICTION THAT  
BETTER RELATIONS BETWEEN THE UNITED STATES AND THE TWO  
LARGEST COMMUNIST COUNTRIES WOULD STRENGTHEN THE PROSPECT  
FOR PEACE AMONG ALL STATES.+  
+OUR PURPOSE AT THE SUMMIT WAS NOT TO DISTURB THE GROWING  
PATTERN OF STABILITY IN ASIA AND IN OTHER PARTS OF THE WORLD,  
BUT RATHER TO GIVE THAT STABILITY A MORE REALISTIC AND  
ENDURING FOUNDATION,+ HE SAID.  
+INDONESIA HAS BEEN A MAJOR CONTRIBUTOR TO STABILITY  
IN ASIA IN LARGE PART BECAUSE YOUR GOVERNMENT RECOGNIZES THE  
CLOSE LINK BETWEEN SOUND ECONOMIC DEVELOPMENT AND STABLE  
POLITICAL DEVELOPMENT.+  
ROGERS SAID THE PROGRESS INDONESIA HAS MADE IN REDUCING  
INFLATION AND MAINTAINING A CONSISTENT GROWTH RATE OF  
MORE THAN SIX PER CENT WAS A MODEL FOR SOUTHEAST ASIA.  
+WE REALIZE, HOWEVER, THAT MANY CHALLENGES LIE AHEAD  
AND THE UNITED STATES WILL CONTINUE TO ASSIST INDONESIA'S  
EFFORTS TO IMPROVE THE LIFE OF ITS PEOPLE.+ ROGERS SAID.  
ROGERS IS SCHEDULED TO HOLD OFFICIAL TALKS WITH INDONESIAN  
FOREIGN MINISTER ADAM MALIK LATER TODAY. HE WILL CALL ON  
PRESIDENT SUHARTO SATURDAY SHORTLY BEFORE LEAVING  
FOR CEYLON. --(UPI)

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3034/11/161 (18)  
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XZCZC HAA354 301319 XHB121 XT  
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ROGERS 30-6  
3RD LD XHBO92

DJAKARTA, JUNE 30 (UPI)--U.S. SECRETARY OF STATE WILLIAM ROGERS, ON A ONE-DAY VISIT TO DJAKARTA, THIS EVENING HAD A TWO-HOUR MEETING WITH FOREIGN MINISTER ADAM MALIK.

+WE HAD VERY GOOD DISCUSSIONS, HE TOLD A PRESS CONFERENCE AFTER THE MEETING.

+PRESIDENT NIXON WAS PARTICULARLY ANXIOUS THAT I STOP OVER IN INDONESIA IN VIEW OF THE STATE OF RELATIONSHIP BETWEEN OUR TWO COUNTRIES. PRESIDENT NIXON WANTED ME TO GIVE FIRST-HAND INFORMATION ABOUT HIS RECENT VISITS TO PEKING AND MOSCOW,+ ROGERS SAID.

ROGERS, WHO ARRIVED IN DJAKARTA THIS MORNING, EXPLAINED TO MALIK THE U.S. POSITIONS IN VARIOUS PROBLEMS, INCLUDING BILATERAL RELATIONS BETWEEN INDONESIA AND THE U.S., THE VIETNAM WAR, THE MIDEAST CONFLICT AND THE LATEST PEKING TRIP OF PRESIDENTIAL ADVISER HENRY KISSINGER, MALIK TOLD NEWSMEN. MALIK ALSO SAID HE EXPLAINED TO ROGERS INDONESIA'S POSITIONS REGARDING THOSE MATTERS.

ANSWERING A NEWSMAN'S QUESTION ABOUT THE FUTURE OF THE SOUTH-EAST ASIA TREATY ORGANIZATION (SEATO), ROGERS SAID +WE EXPECT SEATO TO CONTINUE, AND IT WILL CONTINUE FOR AS LONG AS IT IS NEEDED, AND I THINK IT MAY TAKE SOME TIME.+

ROGERS DENIED REPORTS THAT THERE WOULD BE A FUNDAMENTAL CHANGE IN THE ORGANIZATION'S POLICY. IN THE NEAR FUTURE +THE TREATY (SEATO) WILL CONTINUE IN THE PRESENT FORM,+ HE ADDED.

ASKED TO COMMENT ON THE CURRENT FRENCH NUCLEAR TESTINGS IN THE SOUTH PACIFIC, ROGERS SAID, +WE HOPE THAT ALL NATIONS WOULD ADHERE TO THE NUCLEAR TEST BAN TREATY.+

ON THE QUESTION OF NEUTRALIZATION OF SOUTHEAST ASIA, AS SUGGESTED BY MALAYSIA, ROGERS SAID, +WE PREFER INDEPENDENCE OF NATIONS

IN ASIA AND WE FULLY SUPPORT THE IDEA OF INDONESIA'S INDEPENDENCE AND NON-ALIGNMENT. BUT WHEN WE TALK ABOUT NEUTRALIZATION, IT IS A VERY BROAD SUBJECT AND WE MUST FIND OUT WHAT EACH NATION IN THE REGION HAS TO SAY ABOUT IT.+

ROGERS AND HIS PARTY LEAVE DJAKARTA SATURDAY MORNING AFTER CALLING ON PRESIDENT SUHARTO AT THE MERDEKA PALACE.

(UPI)

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3034/11/161

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ZCZC HAA337 291039 XHB102 NXI  
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ROGERS 6-29

DJAKARTA, JUNE 29 (UPI)--THE INDONESIAN FOREIGN MINISTRY ANNOUNCED TODAY THAT THE VISIT HERE OF THE U. S. SECRETARY OF STATE WILLIAM P. ROGERS HAS BEEN CUT SHORT FROM TWO AND A HALF DAYS TO EXACTLY 24 HOURS.

NO REASON WAS GIVEN FOR THE CHANGE OF SCHEDULE BUT THE U.S. EMBASSY HERE SAID THE ITINERARY WAS REVISED TO FIT WITH ROGERS' PLANNED VISITS TO THE MIDDLE EAST AND EAST EUROPEAN COUNTRIES.

ACCORDING TO THE NEW SCHEDULE, ROGERS WILL ARRIVE IN DJAKARTA AT 10 A.M. FRIDAY AND LEAVE FOR COLOMBO ON HIS WAY TO THE MIDDLE EAST 10:30 A.M. SATURDAY.

THE HIGHLIGHT OF ROGERS' VISIT TO DJAKARTA IS A TWO HOUR MEETING WITH FOREIGN MINISTER ADAM M.

MALIK FRIDAY

AFTERNOON AND A COURTESY CALL ON PRESIDENT SUHARTO AT THE MERDEKA PALACE SHORTLY BEFORE DEPARTING DJAKARTA.

ROGERS WILL COME AT THE INVITATION OF MALIK AND HIS VISIT HAS BEEN DESCRIBED HERE BY BOTH INDONESIAN AND AMERICAN SOURCES AS +STRICTLY LOW KEY.+

ROGERS VISITED INDONESIA FOR THE FIRST TIME IN 1969 WHEN HE ACCOMPANIED PRESIDENT NIXON.

A YEAR LATER HE WENT TO THE INDONESIAN TOURIST ISLAND OF BALI FOR AN UNOFFICIAL VISIT.--(UPI)

K/730P/THAO17

NNNN



→ 3034/11/161 (16)

**CONFIDENTIAL** 41

3034/11/52

*Extract, McMahon Visit Brief*  
*Jakarta*  
*June 1972*

TALKING POINT NO. 2

PRESIDENT NIXON'S VISIT TO THE USSR

Background

Prima facie, the Moscow summit represents an impressive list of achievements as no doubt both sides intended. But it needs to be borne in mind that many of the agreements ostensibly reached in Moscow, including the Declaration of Basic Principles, were in fact concluded prior to the Nixon visit and reserved for the occasion.

What does emerge is that both sides recognised the necessity not to allow their bi-lateral relationship, and the mutual benefits which could flow from an improvement in that relationship, to be prejudiced by such issues as Vietnam.

For the USSR, the Moscow summit offers the prospects of some relief from the burden of the arms race, of access to Western technology (especially computer technology) and trade credits, of the continuance of Brezhnev's "Westpolitik" in Europe, and above all of an accommodation with the United States wherein the national interests of the USSR will not be put at risk by a confrontation arising out of some peripheral issue such as Vietnam. In addition, an accommodation with the United States represents an essential element in the USSR's China policy.

For the United States, the summit represented an opportunity publicly to define the nature and extent of the bi-lateral relationship and to indicate those areas in which further progress is possible. Implicit in the communique and the Declaration of Basic Principles was the recognition that there is no alternative to peaceful co-existence and that the national interests of both sides demand a halt to the arms race. This is borne out by the apparent last minute pressure put on the delegations at Helsinki to reach agreement before the summit ended.

As expected there was no discernible progress on Vietnam, but the fact that the summit took place despite Vietnam should give a boost to President Nixon's electoral prospects. These will be further enhanced if Pentagon assertions that the blockade is already proving effective are borne out by subsequent events.

**CONFIDENTIAL**

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**CONFIDENTIAL**

Finally, suitable reassurances were offered to third parties (especially Peking) that the summit was in no way directed against their interests. Such reassurances may not however be universally accepted, especially as the conclusion to be drawn from the summit is that the Nixon Administration, no less than the Soviet leaders, recognises the overriding importance of not allowing commitments to third parties to prejudice the vital national interests of either side.

Talking Points

You may wish to draw on the following questions in your talks with Indonesian leaders:

1. How does the Indonesian Government assess the outcome of the Nixon visit to Moscow?
2. Does the communique suggest any change or shift in emphasis in Soviet policy?
3. Does the implied decision to "quarantine" the Vietnam issue presage a more active Soviet policy in the rest of Asia?
4. Have the Moscow talks shed any further light on the capacity of the Soviet Union to exert pressure on the DRV?
5. What are the economic implications of the Moscow summit for Japan? Is it likely to stimulate Soviet moves towards greater economic co-operation with Japan?



DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

3034/11/161 36  
3034/7/8/2

MDK 2

I.49673

FROM

TOD 17.5.72...1005 LT

AUSTRALIAN EMBASSY  
DJAKARTA

TOR 17.5.72...1316 LT

2093 CONFIDENTIAL

ADDRESSED CANBERRA 2093 REPEATED KUALA LUMPUR 32  
SINGAPORE 122 AND WASHINGTON 09.

SINGAPORE'S TELEGRAM ADDRESSED CANBERRA 1302.

MALACCA STRAITS.

WE DISCUSSED THIS SPECIFIC QUESTION WITH SLUTZ OF THE  
AMERICAN EMBASSY. HE SAID THAT ON THE OCCASION OF THE  
PASSAGE OF THE ENTERPRISE THROUGH THE MALACCA STRAITS DURING THE  
INDIAN/PAKISTAN WAR, THE INDONESIANS HAD BEEN NOTIFIED THAT THE  
SHIP WAS IN THE INDIAN OCEAN SOME TWELVE HOURS AFTER TRANSIT  
O F THE STRAITS.

THIS WAS THE ONLY 'NOTIFICATION' THAT THERE HAD BEEN.

DEPT FOREIGN AFFAIRS (3004/12/2/1)  
T AND I  
S AND T  
PM AND C  
PMS

DEFENCE  
NAVY  
AG'S DEPT  
JIO

3034/7/8/2

ACTION UNL

SEC DEP SEC(A)(B) PR FAS(A) NA SA SEA FAS(PW) PC EAME  
FAS(DEF) DP IC SEATO SEC FAS(DVP) ICR FAS(IO) EP UNIA  
SAS(LGL) LTB UNL FAS(MS)  
LONDON MOSCOW NEW YORK (UN) TOKYO WASHINGTON



# TELEGRAM

→ 3034/11/161  
Foreign Service of the  
United States of America

INCOMING

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BASSY CANBERRA

PP RUEHBAC RUEHBAC

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UNCLASSIFIED

P R 101018Z MAY 72

FM AMEMBASSY DJAKARTA

TO RUEHC/SECSTATE WASHDC PRIORITY 1821

INFO RUEHBAC/AMEMBASSY CANBERRA 864

RUMJNO/AMEMBASSY PHNOM PENH 245

RUEHGN/AMEMBASSY SAIGON 1235

RUMJSN/AMEMBASSY SINGAPORE 2794

RUEIKO/AMEMBASSY TOKYO 1683

RUEHBAC/AMEMBASSY WELLINGTON 269

RUHHHQA/CINCPAC

RUMJDN/AMCONSUL MEDAN 3573

RUMJHE/AMCONSUL SURABAYA 3329

BT

UNCLAS DJAKARTA 4616

CINCPAC FOR POLAD

SUBJECT: REACTION TO COUNTERMEASURES AGAINST NORTH VIETNAM

ACTION:

POL-3

INFO:

AMB

DCM

SA

POL/L

ATT/LA

USIS

USDAO-2

CINCP

RF

CR

14/wfu

10:08 PM

Control: STS386

Recd.: May 10, 1972  
10:05 PM

1. IN ABSENCE OF PRESIDENT SUHARTO AND FOREIGN MINISTER MALIK IN TOLYO, NO OFFICIAL INDONESIAN REACTION FORTHCOMING TO COUNTERMEASURES AGAINST NORTH VIETNAM ANNOUNCED BY PRESIDENT NIXON.

2. DJAKARTA PRESS HEADLINED MAY 10 MEASURES BEING TAKEN BY US WITH GREATEST PLAY BEING GIVEN TO MINING OF NORTH VIETNAMESE HARBORS AND SECONDARY PLAY TO SPECULATION ON PROBABLE REACTIONS IN HANOI, MOSCOW AND ELSEWHERE. ONLY THREE NEWSPAPERS HAVE SO FAR COMMENTED EDITORIALY. INDEPENDENT, PRESTIGIOUS KOMPAS ASKED IF "BY RUINING THE PARIS TALKS AFTER DR. KISSINGER HAD VISTED MOSCOW, HANOI HAD NOT GONE TOO FAR," AND CONSIDERED PRESIDENT NIXON'S DECISION "MORAL SUPPORT FOR SOUTH VIETNAM." MOSLEM ADABI CALLED THE PRESIDENT'S ACTION "FIRM AND COURAGEOUS" AND A "HISTORICAL STEP." ABADI OPINED THAT THE OUTCOME WOULD DEPEND LARGELY ON HOW THE SOVET UN XN RQACTED, ADDING THAT "AT LONG LAST THE WAR MUST COME TO AN END." INDEPENDENT POS INDONESIA HEADED ITS EDITORIAL "NIXON RISKS EVERYTHING", STATING THAT "AS CHIEF OF STATE OF A RESPECTED POWER AND LEADER IN THE WORLD, NIXON CANNOT BUT TAKE HARSH MEASURES AGAINST HANOI TO STOP ITS INVASION OF SOUTH VIETNAM POS INDONESIA CONCLUDED THAT "NIXON HAS RIGHTLY SAID THE RESPONSIBILITY IS WITH MOSCOW" WITHOUT WHOSE AID NORTH VIETNAM COULD NOT KEEP UP ITS OFFENSIVE.

3. WILL REPORT FURTHER REACTION AS IT APPEARS. PRESS DOES NOT PUBLISH MAY 11 WHICH A HOLIDAY HERE.

UNCLASSIFIED

GALBRAITH

Classification

National Archives of Australia

POST ACTION COPY NAA: A1838, 3034/11/161 PART 17



→ Mr W. Walker 6/r/

DEPARTMENT OF FOREIGN AFFAIRS

INWARD CABLEGRAM

3006/4/5  
3034/11/161

RESTRICTED

MG5

I.38830

FROM

TOD 19.4.72...1328 LT

AUSTRALIAN EMBASSY  
DJAKARTA

TOR 19.4.72...1642 LT

1644 RESTRICTED

VIETNAM

FOLLOWING IS TEXT OF ANTARA REPORT OF MALIK'S  
STATEMENT AT AIRPORT ON 17 APRIL:

BEGINS:

FOREIGN MINISTER ADAM MALIK SAID IN DJAKARTA MONDAY HE DID  
NOT LIKE THE US BOMBING OF NORTH VIETNAM OR THE NORTH VIETNAMESE  
ATTACK ON SOUTH VIETNAM. STATING, HOWEVER, THAT THE US  
BOMBING DID MAKE SENSE, HE SAID THE AMERICAN FORCES STATIONED  
IN SOUTH VIETNAM WERE, AFTER ALL, BEING ATTACKED.

MINISTER MALIK MADE THE STATEMENT ON ARRIVAL AT THE  
KEMAJORAN AIRPORT FROM SINGAPORE WHERE HE ATTENDED THE ANNUAL  
MEETING OF ASEAN FOREIGN MINISTERS, WHEN THE PRESS ASKED HIM  
THE LATEST DEVELOPMENT OF THE INDO CHINESE CONFLICT.

MALIK SAID THE US HAD BETTER STOP HER AIR RAIDS OVER  
NORTH VIETNAM, AND THE NORTH VIETNAMESE INTRUDERS BETTER WITHDRAW.

THEY SHOULD SETTLE AT THE CONFERENCE TABLE, HE ADDED.

ENDS.

PRIME MINISTER  
FOREIGN MINISTER  
DEPT OF FOREIGN AFFAIRS  
MIN AND DEPT DEFENCE  
JIO  
PM'S

ACTION - SA

SEC DEP SEC(A) DEP SEC(B) PR SLA FAS(A) NA SA SEA  
FAS(PW) PC EAME FAS(DEF) DP SEATO SEC IC  
FAS(DVP) ICR FAS(IO) SAS(LGL) FAS(MS)

BANGKOK BELGRADE HONGKONG KUALA LUMPUR LONDON

MANILA MOSCOW NEW DELHI NEW YORK (UN) OTTAWA PARIS

PHNOM PENH SAIGON SEOUL SINGAPORE TAIPEI TOKYO VIETNAM  
WASHINGTON WELLINGTON



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U R G E N T  
BY MAX VANZI

→ 3034/11/161 (10)  
3034/7/8/2  
(Main file)

30

SINGAPORE, APRIL 16 (UPI)—INDONESIA NOW DEMANDS FOREIGN WARSHIPS GIVE IT NOTICE BEFORE PASSING THROUGH THE VITAL MALACCA STRAIT LINKING THE INDIAN AND PACIFIC OCEANS, FOREIGN MINISTER ADAM MALIK SAID TODAY.

HE TOLD NEWSMEN IN REPLY TO QUESTIONS THE AMERICAN NAVY HAS ALREADY SOUGHT INDONESIAN APPROVAL FOR MALACCA STRAIT PASSAGE AND HE SAID THE SOVIET NAVY WILL BE EXPECTED TO DO THE SAME.

INDONESIA AND MALAYSIA, THE TWO COUNTRIES WITH THE LONGEST COASTLINES ON THE STRAIT, JOINTLY ANNOUNCED LAST NOVEMBER THEY CONSIDERED THE BUSY WATERWAY NO LONGER AN INTERNATIONAL CHANNEL AND SAID LATER THEY CONSIDER IT THEIRS TO CONTROL.

+THAT IS VERY CLEAR,+ MALIK SAID IN ANSWER TO A REQUEST TO CLARIFY HIS COUNTRY'S INTENTIONS IN THE STRAIT. +IF ANY WARSHIPS WANT TO PASS, THEY GIVE US NOTICE FIRST.+

THE LAST VESSELS TO COMPLY, HE SAID, WERE FROM +THE AMERICAN FLEET. THEY WARNED (NOTIFIED) US BEFORE.+ MALIK APPARENTLY REFERRED TO A U.S. SEVENTH FLEET TASK FORCE LED BY THE NUCLEAR CARRIER ENTERPRISE WHICH STEAMED NORTHWEST THROUGH THE STRAIT INTO THE INDIAN OCEAN LAST DECEMBER DURING THE INDO-PAKISTAN WAR.

(MORE)

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1ST ADD 1ST LEAD MALIK SINGAPORE X X X WAR.

THE INDONESIAN FOREIGN POLICY CHIEF WAS LESS CLEAR ABOUT THE RUSSIANS. ASKED IF THEY LIKE THE AMERICANS NOTIFIED INDONESIA BEFORE SENDING NAVAL VESSELS THROUGH THE STRAITS, MALIK SAID, +I HOPE THEY WILL IN THE FUTURE. WE HAVE VERY GOOD RELATIONS WITH THE SOVIET UNION.+

THE SOVIETS ARE KNOWN TO ROUTE MISSILE-CARRYING CRUISERS, NUCLEAR SUBMARINES AND OTHER NAVAL SHIPS THROUGH THE STRAIT ON CRUISES BETWEEN FAR EASTERN SOVIET PORTS AND THE INDIAN OCEAN, WHERE RUSSIAN NAVAL PRESENCE INCREASED IN RECENT MONTHS.

BOTH INDONESIA AND MALAYSIA HAVE STATED FIRMLY THEY WANT CONTROLS OVER MALACCA STRAIT SHIPPING, PARTICULARLY NAVAL VESSELS AND PETROLEUM-CARRYING SUPERTANKERS. THE TWO GOVERNMENTS SAY THEY WISH TO DISCOURAGE LARGE FOREIGN NAVIES FROM COMPETING FOR PROMINENCE IN THE REGION.

THEY SAY SUPERTANKERS WHEN LOADED POSE A DANGER OF POLLUTION IF THEY RUN AGROUND OR COLLIDE WITH OTHER VESSELS.

MALAYSIAN DEPUTY PRIME MINISTER TUN ISMAIL ABDUL RAHMAN TOLD NEWSMEN IN

SINGAPORE SATURDAY HIS GOVERNMENT WILL SEEK ANY MEANS TO ENFORCE RESTRICTIONS ON MALACCA STRAIT SHIPPING. IF PRESSED, HE SAID, MALAYSIA WILL RESIST AND MADE THE COMPARISON OF COMMUNIST RESISTANCE TO +AMERICAN MIGHT+ IN VIETNAM.

+IF WE ARE BULLIED, WE WOULD RATHER DIE AS RESPECTABLE MEN THAN SUBMIT, AS WE HAVE SUBMITTED IN THE PAST,+ THE MALAYSIAN LEADER SAID. (UPI)

MV/A/0040  
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APR 11 8 14 PM '72

NOM. INDEX. SUBJECT

AUSTRALIAN EMBASSY  
TEHRAN

In reply quote No. 221/5/3

Memorandum No. ~~OP 74~~

3rd April, 1972.

The Australian Embassy,  
DJAKARTA.

3034/11/161.

c.c. Department of Foreign Affairs, Canberra.

(Memorandum No. 228) ✓

United States Embassy, Djakarta

You may wish to know that the United States political Counsellor in Tehran, Mr. Donald Toussaint, has been reassigned to Djakarta as Deputy Chief of Mission. Mr. Toussaint told us today that he expects to be leaving Tehran in early July for a few days of briefing in Washington. He expects to arrive in Djakarta towards the end of July.

*Replaced by  
"Zipper" Russell*

2. Mr. Toussaint is an Indonesian language officer, and has served in Djakarta before as Counsellor. He is well and favourably known to us both in Djakarta and Tehran.

W

*R.P. Broinowski*  
(R.P. Broinowski)  
First Secretary

Room 1-22.

F. 3034/11/161

No letter to see

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Jan 24/4-80

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--WEEKEND REPORT--

--SLASH IN AID BRINGS SETBACK TO INDONESIAN ARMED FORCES--

MIL AID 4-9

BY JOSEPH GALLOWAY

DJAKARTA, APRIL 9 (UPI)--THE RECENT BOOMING GROWTH OF U.S. MILITARY AID TO THE INDONESIAN ARMED FORCES HAS BEEN TEMPORARILY HALTED BY AMERICAN CONGRESSIONAL BUDGET PURNING. INFORMED SOURCES IN WASHINGTON REPORT THAT THE UNITED STATES WILL SPEND APPROXIMATELY 18 MILLION U.S. DOLLARS ON MILITARY PROGRAMS IN INDONESIA DURING THE FISCAL YEAR JUST BEGINNING.

THE OVERALL U.S. DEFENSE BUDGET HAD REQUESTED 25 MILLION U.S. DOLLARS FOR ASSISTANCE TO INDONESIA DURING THIS YEAR -- BUT WHEN THE REDUCED BUDGET WAS APPROVED BY CONGRESS THE DEFENSE DEPARTMENT CUT THE INDONESIAN PROGRAM BACK TO THE FISCAL 1971 LEVEL OF 18 MILLION.

SINCE 1948 THE UNITED STATES HAS PROVIDED 106.7 MILLION U.S. DOLLARS IN MILITARY ASSISTANCE TO INDONESIA, INCLUDING THE 18 MILLION U.S. DOLLARS SCHEDULED TO BE SPENT IN THE COMING 12 MONTHS.

A TOTAL OF 43.5 MILLION U.S. DOLLARS HAS BEEN ALLOTTED SINCE THE RESUMPTION OF MILITARY AID IN 1967 AFTER THE FALL OF THE LATE PRESIDENT SUKARNO.

TO DATE THE MAIN THRUST OF U.S. ASSISTANCE HAS BEEN AIMED AT REFURBISHING AMERICAN-MADE AIRCRAFT, NAVY VESSELS AND ARMY VEHICLES ALREADY IN THE INVENTORY OF THE INDONESIAN FORCES, RATHER THAN SUPPLYING NEW HARDWARE.

THE INDONESIAN ARMED FORCES' PRESENT STRENGTH IS ESTIMATED AT ROUGHLY 400,000 AND IS DECLINING SLOWLY UNDER A SUHARTO GOEAENT PROGRAM OF ALLOWING OLDER OFFICERS AND MEN TO RETIRE WITHOUT REPLACING THEM. THE GOVERNMENT HOPES ULTIMATELY TO HAVE AN EFFICIENT, WELL-TRAINED AND EQUIPPED FORCE NUMBERING APPROXIMATELY 200,000.

AT PRESENT THE INDONESIAN ARMED FORCES ARE WEIGHED DOWN WITH AN INVENTORY OF NON-WORKING SOVIET AIRCRAFT, NAVAL VESSELS, ARMY TANKS AND ARMORED CARS -- WHICH PRESIDENT SUKARNO BOUGHT FOR AROUND 1 BILLION U.S. DOLLARS.

WHERE ONCE THE INDONESIAN AIR FORCE HAD THREE SQUADRONS OF MIG-17 AND MIG-21 JET FIGHTERS, NOW FEWER THAN HALF A DOZEN OF THE JET AIRCRAFT ARE SERVICEABLE.

(MORE) PL937A/SHAO36

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MILAI

1ST ADD MILAI DJAKARTA XXX SERVICEABLE.

WHERE ONCE THE INDONESIAN NAVY BOASTED A HEAVY BATTLECRUISER FLAGSHIP, A DESTROYER FLOTILLA, DOZEN MISSILE-ARMED PATROL BOATS AND TEN SSUBMARINES, TODAY ONLY THE MISSILE PATROL BOATS ARE USEABLE. THE HEAVY CRUISER IRIAN HAS BEEN SOLD FOR SCRAP IRON.

ONE OF THE MAJOR CONCERNS OF THE UNITED STATES AND OTHER INDONESIAN ALLIES HAS BEEN THE WITHERING AWAY OF THE INDONESIAN AIR FORCE AND THE THREAT OF LOSING THOSE THREE SQUADRONS OF JET-QUALIFIED PILOTS WHO NOW HAVE LITTLE OR NOTHING TO FLY.

+THE EQUIPMENT IS A SMALL MATTER, + ONE SPECIALIST SAID. +IT'S THOSE QUALIFIED PILOTS. IF THEY ARE LOST THROUGH LACK OF PRACTICE YOU HAVE TO START ALL OVER AGAIN FROM SCRATCH. +

AUSTRALIA HAS OFFERED THE INDONESIANS A SQUADRON OF 16 ELDERLY BUT SERVICEABLE AMERICAN-MADE F-86 SABRE JET FIGHTERS, FREE-OF-CHARGE. THE AIRCRAFT HOPEFULLY WILL BE DELIVERED WITHIN THE COMING 12 MONTHS AFTER THE AUSTRALIANS SET UP TRAINING AND MAINTENANCE PROGRAMS LOCALLY.

THE UNITED STATES DEFENSE MISSION IN INDONESIA IS WATCHING THIS DEVELOPMENT CLOSELY. IF THE AUSTRALIAN SABRES PROVE INADEQUATE OR DELIVERY TAKES TOO LONG THE UNITED STATES MAY GO AHEAD WITH A PROGRAM TO PROVIDE INDONESIA WITH A SQUADRON OF 12 OR 15 T-33 JET TRAINER AIRCRAFT WHICH COST BETWEEN 100,000 DOLLARS AND 150,000 DOLLARS APIECE.

MILITARY SPECIALISTS HAVE NOTED THAT FOR COUNTER-INSURGENCY PURPOSES THE AMERICAN T-33S HAVE A CONSIDERABLE EDGE OVER THE FASTER SHORTER-RANGE SABRES. THE T-33S CAN BE EQUIPPED TO CARRY A SIZEABLE PAYLOAD OF BOMBS, ROCKETS AND NAPALM AND ARE CAPABLE OF FLYING LONGER DISTANCES AND REMAINING OVER A TARGET LONGER.

EVEN WITH THE PROVISION OF THE AUSTRALIAN SABRE JETS THE U.S. COULD WELL DECIDE TO GO AHEAD WITH A PROGRAM TO SUPPLY THE T-33 JETS TO INDONESIA.

MEANWHILE, U.S. MILITARY AID DURING THE PAST YEAR HAS RECONDITIONED A SQUADRON OF 15 INDONESIAN-OWNED F-51 MUSTANG FIGHTERS, WORLD WAR II-VINTAGE PROPELLOR-DRIVEN AIRCRAFT. IT HAS ALSO PROVIDED SPARE PARTS AND MAINTENANCE-TRAINING WHICH HAS PUT TWO SMALL SQUADRONS OF C-47 TRANSPORT PLANES BACK ON THE ACTIVE LIST. MAINTENANCE AND PARTS HAVE ALSO BEEN PROVIDED FOR A MORE MODERN AND SERVICEABLE SQUADRON OF C-130 HERCULES TURBO-PROP TRANSPORT AIRCRAFT.

(MORE)

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ZCZC HAA204 090208 XHB099 NXX

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MILAI 4-9

2ND ADD MILAI DJAKARTA XXX TRANSPORT AIRCRAFT.

THE U.S. AID PROGRAM AS IT AFFECTS THE INDONESIAN ARMY HAS SLOWLY BEGUN PICKING UP SPEED. UNTIL LAST YEAR THE PROGRAM WAS PRIMARILY AIMED AT GETTING AMERICAN-BUILT TRUCKS AND JEEPS IN THE INDONESIAN INVENTORY BACK ON THE ROAD THROUGH PROVISION OF SPARE PARTS AND ESTABLISHMENT OF MAINTENANCE CENTERS. THE ONLY EQUIPMENT DELIVERED UNTIL LAST YEAR WAS DESTINED FOR ARMY ENGINEERING CIVIL MISSION PROJECTS--DUMP TRUCKS, BULLDOZERS AND ROAD GRADING EQUIPMENT.

BEGINNING LAST YEAR THE AMERICAN MILITARY AID PROGRAM BEGAN DELIVERING A SMALL INVENTORY OF LIGHT INFANTRY WEAPONS, PRIMARILY M16 RIFLES BUT INCLUDING SOME MORTARS AND LIGHT ARTILLERY UP TO THE SIZE OF 105MM FIELD HOWITZERS.

THE MOST RECENT GOAL IN HELPING THE INDONESIAN ARMY IS TO HELP TRAIN AND EQUIP A SMALL FAST-REACTION STRATEGIC STRIKE FORCE FOR INTERNAL SECURITY CHORES.

THIS PROGRAM CENTERS ON BUILDING UP TWO SMALL BRIGADES OF THE KOSTRAD (ARMY STRATEGIC RESERVE CORPS), WHICH WAS THE UNIT COMMANDED BY AN UNKNOWN MAJ. GEN. SUHARTO IN 1965 WHEN THE COMMUNISTS ATTEMPTED THEIR DISASTROUS COUP. GEN. SUHARTO USED THE KOSTRAD TO SUPPRESS THE COUP ATTEMPT AND LATER BECAME PRESIDENT SUHARTO.

ONE FAIRLY SMALL BUDGET ITEM WITH IMPORTANT LONGRANGE RESULTS HAS BEEN THE U.S. PROVISION OF A STRATEGIC ARMED FORCES COMMUNICATIONS NETWORK. THIS SINGLE-SIDEBAND RADIO COMMUNICATIONS NET PUTS THE INDONESIAN DEFENSE AND SECURITY HEADQUARTERS IN DJAKARTA IN INSTANT CONTACT WITH THE SIX REGIONAL MILITARY HEADQUARTERS SCATTERED ACROSS 3,000 MILES OF ISLAND TERRITORY.

UNTIL THIS U.S.-SUPPLIED NETWORK WAS PUT IN OPERATION LATE IN 1971 INDONESIAN DEFENSE COMMUNICATIONS WERE DIFFICULT TO SOME AREAS AND IMPOSSIBLE TO OTHERS. THE SINGLE-SIDEBAND NETWORK GIVES DJAKARTA RELIABLE COMMUNICATIONS UNTIL A MORE EXTENSIVE AND EXPENSIVE CIVILIAN MICROWAVE NETWORK NOW UNDER CONSTRUCTION IS COMPLETED.

THE AMERICAN AID PROGRAM FOR THE INDONESIAN NAVY HAS SO FAR RESULTED IN DELIVERY OF EIGHT U.S.-BUILT SURPLUS VESSELS. SIX OF THE VESSELS ARE SMALL MINESWEEPERS SUITABLE FOR COASTAL PATROL IN THIS ISLAND NATION WHOSE SEA FRONTIERS ARE PRESENTLY WIDE OPEN TO INFILTRATION AND SMUGGLING. THE OTHER TWO VESSELS ARE AMERICAN LANDING SHIPS SUPPLIED PRIMARILY TO SUPPORT THE CIVIL MISSION PROGRAM. ONE OF THE LANDING SHIPS IS EQUIPPED AS A FLOATING MACHINE SHOP TO CARRY OUT REPAIRS AND MAINTENANCE.

(MORE) PL1000A/SHAO38

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MILAI D 4-9

3RD ADD MILAI D DJAKARTA XXX AND MAINTENANCE.

ANOTHER MAJOR U.S. AID PROJECT FOR THE INDONESIAN NAVY INVOLVES REHABILITATION OF THE HUGE NAVAL SHIPYARD AT SURABAYA IN EAST JAVA. SURABAYA WAS ONCE ONE OF THE BUSIEST AND LARGEST SHIPYARDS AND PORTS IN ALL OF SOUTHEAST ASIA. IN RECENT YEARS REPAIR FACILITIES HAVE BECOME RUNDOWN AND THE PORT BECAME A GRAVEYARD FOR OLD SOVIET SHIPS AS THEY DIED FOR LACK OF SPARES AND MAINTENANCE.

THE U.S. MILITARY AID PROGRAM IN INDONESIA HAS BEEN SO +LOW-PROFILE+ OVER THE LAST FIVE YEARS AS TO BE PRACTICALLY INVISIBLE.

THE PROGRAM IS HANDLED BY THE U.S. DEFENSE LIAISON GROUP (D)S) ATTACHED TO THE U.S. EMBASSY IN DJAKARTA. OFTEN WEARING CIVILIAN CLOTHES TO MAINTAIN NO PROFILE AT ALL, DLG STAFF MEMBERS ARE A PERMANENTLY STATIONED GROUP OF APPROXIMATELY 50 OFFICERS AND MEN AND A SMALLER GROUP OF TEMPORARY DUTY EXPERTS AND INSTRUCTORS WHOSE NUMBERS FLUCTUATE BETWEEN 15 AND 40 MEN.

A DLG SPOKESMAN WOULD ONLY COMMENT, +WE MAINTAIN A LOW-PROFILE PROGRAM VERY MUCH IN THE VEIN IN THE NIXON DOCTRINE, WITH THE EMPHASIS ON STRENGTHENING THE INDONESIANS FOR INTERNAL SECURITY AND MAKING THEM A SELF-SUFFICIENT AND SELF-MAINTAINING FORCE. +--(UPI)

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MALIK 4-8

DJAKARTA, APRIL 8 (UPI)--FOREIGN MINISTER  
ADAM MALIK SAID TODAY ADMIRAL THOMAS J. MOORERS  
STATEMENT SAYING THE UNITED STATES MUST HAVE THE FREEDOM TO  
USE THE STRAIT OF MALACCA +DID NOT  
REPRESENT THE VOICE OF THE UNITED STATES GOVERNMENT.+

THE FOREIGN MINISTER WAS SPEAKING TO NEWSMEN AT THE  
MERDEKA PALACE AFTER WITNESSING THE SWEARING IN OF LT. GEN.  
SUDHARMO AS THE NEW CHIEF OF STATE SECRETARIAT.

+ADMIRAL MOORER'S STATEMENT DID NOT REPRESENT THE  
VOICE OF THE U.S. GOVERNMENT. WHAT HE SAID WAS ONLY A  
GENERAL STATEMENT AND HE WAS IN FACT TRYING TO EVADE THE  
TRUE OPINION OF WASHINGTON,+ MALIK SAID.

MOORER, CHAIRMAN OF THE JOINT CHIEF OF STAFF, MADE A  
STATEMENT BEFORE THE OVERSEAS WRITERS LUNCHEON IN WASHINGTON  
THURSDAY THAT THE UNITED STATES +FEEL WE SHOULD  
HAVE AND MUST HAVE THE FREEDOM TO GO THROUGH, UNDER  
AND OVER THE MALACCA STRAIT.+

INDONESIA AND MALAYSIA LAST YEAR CLAIMED THAT THE  
SHALLOW STRAIT OF MALACCA IS NOT AN INTERNATIONAL WATERWAY.  
THE TWO COUNTRIES SAID THE STRAIT WAS PART OF THE TWO  
COUNTRIES' TERRITORIAL BOUNDARIES.--(UPI)

T-1835

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Mr. Butler to see.

Sham 18. IV.

Rec.



CONFIDENTIAL

EMBASSY OF AUSTRALIA

IN REPLY QUOTE: 221/11/9

CENTRAL REGISTER:  
D.E.A.

Memorandum No: 926/72

30 March, 1972.

APR 4 2 29 PM '72

NON-INDEX SUBJECT

The Secretary,  
Department of Foreign Affairs,  
CANBERRA.

Indonesia : United States Military Aid

Please refer to your telegram No 1175 of 24 March, 1972, forwarding additional questions about United States military aid to Indonesia.

2. When we talked to the Indonesian desk officer in the State Department on 17 March (reported in our telegram No 1270 of the same date) he declined to offer any additional details of the MAP plans for fiscal year 1972 on the grounds that these were still under discussion with the Indonesians and within the United States Government. Moreover we assumed that their list of seventeen priorities was broadly similar in content to that provided to us in 1971 by the Department of Defense and forwarded under cover of our memorandum No 1506 of 29 June, 1971. In all the circumstances we considered that we could not press the desk officer any further. This view was reinforced by the fact that he asked for details about the current state-of-play in the Australian offer of Sabres to Indonesia (we have had a number of similar requests from others in the State Department on this question) which we were unable to provide.

3. As far as the "excess military equipment" is concerned we understand that this has been provided to a number of United States military assistance recipients each year. The prices are calculated at an estimated current value but the equipment is grant aid. Costs for packaging and freight are met by the MAP. The main reason why the Indonesians (and other countries) cannot avail themselves of all the equipment offered is that much of it needs renovation, repair or modification before it can be used and the Indonesians do not have the facilities to undertake this work.

4. We also gained the impression from the desk officer that the discussions about radar systems were still in a nebulous stage.

5. The Country Director for Indonesia, Malaysia and Singapore, Mr Ted Heavner, told us on 29 March that another difficulty which had arisen with the MAP was the provision added by Congress to the 1972 Foreign Aid Bill that nations receiving grant military aid or excess defense equipment deposit in local currency for United States use in-country an amount equal to 10 per cent of such assistance. Congress intended that this would meet local expenses such as housing, local staff salaries, etc. Heavner said

The USA once  
tried to do  
this with  
food aid  
(flow). The  
Indons wouldn't  
have it.

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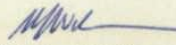


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that although the White House had indicated that it would seek a general repeal of the provision or waivers for individual countries the Treasury were trying to hold State Department to the letter of the law. He felt confident that eventually a waiver for Indonesia would be made but thought that there would be continued difficulties with the Treasury until that time. 22

6. We are sending a copy of this memorandum to Djakarta and to the JIO.

  
(M.G. Williams)  
First Secretary

CONFIDENTIAL



DEPARTMENT OF FOREIGN AFFAIRS

CANBERRA, A.C.T. 2600

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696/2/2/3  
696/2/2/4/2  
696/2/2/4/3  
696/2/2/4

22 March 1972

The Secretary,  
Department of Defence,  
CANBERRA, A.C.T.

AUSTRALIAN-INDONESIAN DEFENCE RELATIONS

....

Attached for your consideration is a copy of memorandum  
No. 472 dated 16 March 1972 from the Australian Embassy,  
Djakarta.

(M.J. McKeown)  
for the Secretary

→ Mr. Walker,  
Indonesia and Philippines Section.

3034/10/4/5 -

3034/11/4 -

3006/4/9 -

3034/12/5 -

3034/11/161 ←

SECRET



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**SECRET**



AUSTRALIAN EMBASSY

DJAKARTA

In reply quote No. 224/4/31/2

Memorandum No. 472

16 March 1972.

The Secretary,  
Department of Foreign Affairs,  
CANBERRA, A.C.T.

AUSTRALIAN-INDONESIAN DEFENCE RELATIONS

In our memorandum No. 326 of 24 February 1972, I referred to work Major-General Hasnan Habib had done on defence relations with Australia and said that Rurnathias had told me Hasnan Habib would be calling me for a briefing on these matters soon. This briefing took place this morning and covered more ground than I had expected.

2. Hasnan Habib said that the policy on defence relations with Australia had grown out of the policy they had developed on security and defence in S.E. Asia. They assessed that the threat in S.E. Asia for the immediate future would take the form of insurgency and internal security problems. Indonesia believed that it had an experience and a developed capacity for coping with such threats which would enable it to help other countries in the region. The nucleus of Indonesia's regional security thinking and planning was the ASEAN. It was not Indonesia's intention to force its assistance or its views on the ASEAN partners, but Indonesia had successfully dealt with about 110 uprisings and insurgencies since independence and had won every one of these encounters. They had now formulated proposals for assistance to other ASEAN countries where a threat existed and where cooperation with Indonesia was desired. These proposals fell into four categories -

(i) Exchanges of intelligence, seminars on common internal security problems and methods and other forms of cooperation in the field of theoretical and practical understanding of the problems and views involved.

(ii) Joint border cooperation which would involve arrangements for the free movement of security forces across borders as necessary and joint command arrangements with mixed forces. Hasnan Habib said this had been a major topic for discussion during Tun Ismail's visit and he expected an announcement would be made fairly soon about an extension of Malaysian/Indonesian border cooperation. The Indonesians had proposed that units of their special forces should be placed under the command of the Malaysian General Command in the relevant area of Sarawak. It was envisaged that revised arrangements would permit a much more integrated effort against the insurgents in Sarawak and East Kalimantan.



SECRET 18

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- (iii) Cooperation in training and education of armed forces personnel.
- (iv) Joint exercises aimed at keeping up the skills of the air forces and navies established. Although the foreseeable threat was in the insurgency field, it was ~~as far as possible~~ important not to neglect the other arms since they would need to be developed later and when the nature of the threat altered and as the ASEAN countries became better able to spend money on them.

3. Against this background they had realised, Hasnan Habib said, that their cooperation with Australia required a modified policy approach. They saw us as differently situated because we were not subject to the sorts of threat which faced Indonesia, Malaysia, Thailand and the Philippines. But we had an obvious interest in helping to meet that threat. And we were friendly and had the means and experience in some fields to help them.

4. In addition to the intelligence exchanges [REDACTED] and the general training and technical assistance that we provided on the defence side the priorities in their defence relations with Australia were -

- (i) The F86 project.
  - (ii) Research and development. What they wanted under this heading was help to set up a research and development capability here. Under the second development plan some funds would be set aside for HARKAM development and they would be in a better position to set up and maintain a research and development capability. Hasnan Habib said he had closely studied the Twiss Report and what they wanted was basic help in setting up research and development here. He said he knew this had to be basic to start with and that their facilities and capacities were at present very limited and backward. They would hope that it would help them fairly soon to develop a capacity for rocketry because this was so important to the patrol boat programme they would have to develop.
5. Regarding joint exercises, Hasnan Habib said that Australia was included in this area as a friendly and cooperative neighbour in the framework explained in paragraph 2. As at present envisaged exercises might be held with Australia in 1973 but these would be command post exercises only. At present it did not seem likely that there would be funds available to bring Indonesian naval ships into a condition where they could usefully have sea-going exercises with Australian naval vessels. The only possibility of holding sea-going exercises with Australia in the near future would be if the Navy received from the United States under the MAP enough spares and assistance to make its mine-sweepers operational for exercise purposes. (see below.)

SECRET

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SECRET 17

3.

6. Hasnan Habib then explained that they had in mind further Australian assistance in the field of patrol boat development and construction. It had been helpful for them that we had sent a diesel engine expert but there were now doubts about this diesel engine programme. He himself wanted to press ahead but the Department of Industry took the pessimistic view that Indonesia would be unable to produce diesel engines before 1982. The patrol boat programme in general would become clearer when certain policy considerations were completed in the near future. The first of these concerned the authorities responsible for off-shore patrolling. At the moment there was a variety of Indonesian agencies claiming the right to and need for a capacity to undertake sea-going patrols. These included the Customs, the Police, the Navy and several others. A committee was now nearing completion of proposals to rationalize these arrangements reducing the number of agencies involved and allotting those remaining specific purposes. The next step would be for a committee under Admiral Djaelani to decide what sort of ships would be required for each of these purposes. It was envisaged that two or three types of different size and armaments and technical capacities would be required. Thus it would be some time before Indonesia knew what sort of patrol boats it would require. But when the general specifications had been decided they would very likely be looking to us for some advice or other help.

7. Hasnan Habib said that a problem currently facing HANKAM on the equipment side was that the United States Military Aid Programme looked like being reduced from \$U.S. 25 million to \$U.S. 18 million for the coming year. They had been advised to revise their requests back to the \$U.S. 18 million figure. It was envisaged that the Navy would get \$U.S. 7 million of this mostly for spares for the mine-sweepers and LSTs which had already been given under the MAP. Hasnan Habib said it was beginning to appear that it had been unwise for Indonesia to take vessels 20 years or more old from the Americans because they were finding it beyond their capacity to maintain these old ships.

8. Finally Hasnan Habib asked me what was the standard infantry small arms weapon in Australia. I told him we used and manufactured a modified NATO standard rifle and ammunition. He said he had thought that we used and manufactured ArmaLite since he knew Australian troops in Vietnam had used them. I said my understanding was that while we had some of these weapons they were not on general issue and were not manufactured in Australia. Hasnan Habib said that the reason he was asking was that they were currently examining a proposal by the American company for manufacture of the AR18 in Indonesia under licence. What was proposed was a joint venture between the Indonesian Government and the Colt company for a plant costing \$U.S. 35 million excluding land and other facilities. Hasnan Habib said he had ascertained that PINDAD had some machinery which could be used in such a plant but there would be a large amount of money to be found by the Indonesian Government. An alternative possibility for manufacturing the AR18 under licence would be to come to some arrangement with the company which is manufacturing

SECRET

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SECRET

16

4.

it in Japan. But he had also thought that if the weapon was manufactured in Australia there might be some scope for an arrangement with us. He said that he had thought of Australia partly because preliminary discussions about financing of the AR18 project were being conducted by a Mr Pike from a company called "International Management Australia". Hasnan Habib asked me if I knew of Mr Pike or of this company. I said I had not heard of them. I asked how this AR18 proposal would fit in with the plans to produce the NATO rifle at PINDAB. Hasnan Habib said that they would go ahead to produce their NATO standard rifle, the M16-59, but this would be used for territorials whereas the AR18, if they decide to produce it, would be their main infantry weapon.

(F.R. Dalrymple)  
Minister

SECRET



3034/11/161 (4)  
15

DEPARTMENT OF FOREIGN AFFAIRS  
**INWARD CABLEGRAM**

CMC7

I.27924

FROM

TOD 17.03.72...1932 LT

AUSTRALIAN EMBASSY  
WASHINGTON

TOR 18.03.72...1059 LT

1270 CONFIDENTIAL

ADDRESSED CANBERRA 1270 REPEATED DJAKARTA OP. 196.

INDONESIA .. UNITED STATES MILITARY AID.

YOUR 1011 [REDACTED]

ON 17 MARCH, GRANT (INDONESIA DESK - STATE DEPARTMENT) TOLD US THAT FINAL DECISION HAD NOW BEEN TAKEN ON SIZE OF UNITED STATES MILITARY ASSISTANCE PROGRAMME TO INDONESIA FOR FINANCIAL YEAR 1971/1972.

HE SAID THAT ORIGINAL REQUEST FOR DOLLARS UNITED STATES 25 MILLION HAD BEEN CUT BACK TO DOLLARS UNITED STATES 18 MILLION AS PART OF OVERALL REDUCTION IN MILITARY ASSISTANCE APPROPRIATIONS BUT THAT INDONESIA HAD FARED BETTER THAN MOST OTHER MILITARY AID RECIPIENTS.

HE ALSO NOTED THAT UNITED STATES MILITARY ASSISTANCE TO INDONESIA IN PREVIOUS FINANCIAL YEAR HAD ALSO TOTALLED DOLLARS UNITED STATES 18 MILLION.

2. GRANT SAID THAT DISCUSSIONS WERE NOW IN PROGRESS WITH INDONESIANS ON HOW DOLLARS UNITED STATES 18 MILLION WOULD BE ALLOCATED.

INDONESIAN AND UNITED STATES AUTHORITIES HAD AGREED ON LIST OF SEVENTEEN PRIORITY PROJECTS.

TOP PRIORITY WOULD BE GIVEN TO MILITARY COMMUNICATIONS (INDONCOM), FOLLOWED BY EQUIPMENT OF AIRBORNE BRIGADES AND T33 JET TRAINERS.

HE ALSO SAID THERE WOULD BE FUNDS TO COMPLETE EXISTING PROGRAMMES - PARTICULARLY CIVIC ACTION PROGRAMME.

3. GRANT SAID THAT MAIN CASUALTY OF DOLLARS UNITED STATES 7 MILLION REDUCTION IN MILITARY ASSISTANCE WOULD BE ONE DESTROYER ESCORT (DE) WHICH UNITED STATES HAD PLANNED TO GIVE TO INDONESIANS THIS YEAR.

AS PROVISION OF DESTROYER ESCORT HAD BEEN COMPLICATED EXERCISE (WHICH MIGHT EVEN HAVE REQUIRED SPECIFIC LEGISLATION), HE DOUBTED THAT IT WOULD BE REVIVED.

4. GRANT ALSO SAID THAT INDONESIANS IN THEIR DISCUSSIONS WITH UNITED

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DEPARTMENT OF FOREIGN AFFAIRS  
**INWARD CABLEGRAM**

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- 2 -

1.27924

STATES NOW APPEARED TO BE PLACING LESS EMPHASIS ON NEED FOR ATTACK AIRCRAFT IN MID-1970S AND MORE ON RADAR SYSTEM.

HE PUT THIS DOWN IN PART TO INDONESIAN EXPECTATION OF AUSTRALIAN SABRES.

5. IN ADDITION TO DOLLARS UNITED STATES 18 MILLION FROM MILITARY ASSISTANCE PROGRAMME GRANT SAID THAT DOLLARS UNITED STATES 3.5 MILLION OF EXCESS MILITARY EQUIPMENT WOULD BE OFFERED TO INDONESIANS IN 1971/72.

THIS WOULD INCLUDE C-47 AIRCRAFT.

GRANT DID NOT THINK THAT INDONESIANS WOULD BE ABLE TO TAKE UP MORE THAN ABOUT HALF OF THIS DOLLARS UNITED STATES 3.5 MILLION OFFER.

6. PLEASE PROTECT SOURCE.

PRIME MINISTER  
A/FOREIGN MINISTER  
DEPT FOREIGN AFFAIRS  
A/MIN AND DEPT DEFENCE  
JIO  
PMS

ACTION: IC

A/SEC A/DEPSEC(A) DEPSEC(B) PR SLA FAS(A) SEA A/FAS(PW) PC FAS(DEF) DP SEATO SEC IC FAS(DVP) AID ICR FAS(IO) SAS(LGL) FAS(MS)

CONFIDENTIAL



DEPARTMENT OF FOREIGN AFFAIRS  
INWARD CABLEGRAM

JW1

FROM

AUSTRALIAN EMBASSY  
DJAKARTA

1.26875

TOD 16/3/72...1120LT

TOR 16/3/72...1441LT

1097

CONFIDENTIAL

INDONESIAN REACTION TO NIXON VISIT

SUTOPO JUWONO (HEAD OF BAKIN) LAST NIGHT SPOKE IN MORE  
HARD-LINE FASHION THAN NURMATHIAS HAD (OUR TEL 1048) ABOUT THE  
IMPLICATIONS OF THE NIXON VISIT FOR INDONESIA.

HE SAID THAT "HYPOTHETICALLY" CHINA'S CONCERN WITH ITS  
RELATIONS WITH THE SOVIET UNION AND JAPAN MIGHT LEAD TO LESS  
CHINESE INTERFERENCE IN SOUTH EAST ASIA BUT HE REMAINED RATHER  
SCEPTICAL ABOUT THE PRACTICAL POSSIBILITY OF EARLY CHANGE.

HE BELIEVED THAT CHINA REGARDED IT AS HER RIGHT TO HAVE A  
SPHERE OF INFLUENCE IN SOUTH EAST ASIA AND THAT IT WOULD  
CONTINUE TO USE THE OVERSEAS CHINESE AND TO ENCOURAGE INSURGENCY  
TOWARDS THOSE ENDS.

CHINA'S ACCEPTANCE IN THE UNITED NATIONS HAD ALREADY HAD  
A "PSYCHOLOGICAL" EFFECT IN GIVING ENCOURAGEMENT TO INSURGENCY  
AND ONE EFFECT OF NIXON'S VISIT WOULD BE TO REINFORCE THIS TREND.

INSOFAR AS INDONESIAN POLICY TOWARDS CHINA WAS CONCERNED,  
HE DID NOT SEE A NEED FOR CHANGE.

2. SUTOPO SAID THAT GREEN HAD GIVEN THE INDONESIANS SPECIFIC  
FIGURES PLANNED FOR 1973 ABOUT THE CONTINUING AMERICAN MILITARY  
PRESENCE IN INDIVIDUAL COUNTRIES IN THE AREA, AND ABOUT THE  
CONTINUING SEVENTH FLEET PRESENCE.

HE DID NOT QUOTE THE PRECISE FIGURES BUT INDICATED THAT  
HE FOUND THEM REASSURING ABOUT UNITED STATES INTENTIONS.

FURLONGER.

PRIME MINISTER  
A/FOREIGN MINISTER  
DEPT FOREIGN AFFAIRS  
A/MIN AND DEPT DEFENCE  
JIO  
PMS

A HARD man, Sutopo,  
HAARRD .....

...2/

S. E. A.

8/8.



# TELEGRAM

INCOMING

AMEMBASSY CANBERRA

Foreign Service of the  
United States of America

3034/11/161 (2)  
DFA-D.G. [Signature]

LIMITED OFFICIAL USE

Classification

Control: STS473  
Recd.: MARCH 13, 1972  
10:40PM

ACTION: NNNNVV STS473  
POL-2 RR RUEHBAC RUEHBAZ  
INFO: DE RUMJBT #2491 0731019  
ZNY CCCCC ZZH  
R 130950Z MAR 72  
AMB FM AMEMBASSY DJAKARTA  
DCM TO RUEHC/SECSTATE WASHDC 1111  
SA INFO RUMTBK/AMEMBASSY BANGKOK 2485  
SEC RUEHBAC/AMEMBASSY CANBERRA 835  
USIS RUMJKL/AMEMBASSY JUALA LUMPUR 1822  
POL/L RUMJMA/AMEMBASSY MANILA 2793  
ATT/LA RUMJSN/AMEMBASSY SINGAPORE 2657  
RF RUEHBAZ/AMEMBASSY WYLINGTON 259  
CR RUMJDH/AMCONSUL HONG KONG 1018  
11 RUMJDN/AMCONSUL MEDAN 3436  
RUMJHE/AMCONSUL SURABAYA 3211  
jbr

11:10PM

LIMITED OFFICIAL USE DJAKARTA 2491

SUBJ: INDONESIAN PRESS COVERAGE ASST. SEC. GREEN'S VISIT

1. ASST. SEC. GREEN'S ARRIVAL AND 70 MINUTE TALK WITH PRESIDENT SUHARTO MARCH 11 GIVEN FRONG PAGE COVERAGE BY DJAKARTA PAPERS COMPLETE WITH VARIETY OF PCITURES. MORE COVERAGE EXPECTED AFTER GREEN'S FORMAL DEPARTURE STATEMENT TO PRESS MARCH 13.

2. FONMIN MALIK'S COMMENTS TO PRESS AFTER MEETING OF GREEN WITH PRESIDENT SUHARTO (INCLUDING FONMIN AND STATE SECRETARY SUDHARMOMO) NIGHT OF MARCH 11 WERE TERSE AND NONCOMMITTAL. MALIK SAID GREEN GAVE ASSURANCES THAT NOTHING SECRET OR HIDDEN TOOK PLACE DURING NIXON'S TALKS WITH CHINESE OFFICIALS AND ALSO HANDED PRESIDENT SUHARTO PERSONAL MESSAGE FROM PRESIDENT NIXON SAYING ALL US COMMITMENTS TO FRIENDLY COUNTRIES, INCLUDING INDONESIA, WOULD BE MAINTAINED. RE PRESIDENT SUHARTO'S REACTION, MALIK WOULD ONLY SAY THAT PRESIDENT HAD BEEN HAPPY WITH GREEN'S EXPLANATION AND HAD THANKED HIM FOR HIS VISIT.

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National Archives of Australia

Classification NAA: A1838, 3034/11/161 PART 17

# TELEGRAM

Foreign Service of the  
United States of America

INCOMING

AMEMBASSY CANBERRA

W

PAGE2 DKJAKARTA 2491

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3. GOVERNMENT CONNECTED PAPERS HAVE NOT YET COMMENTED ON GREEN'S VISIT EDITORIALY. TWO INDEPENDENT PAPERS FELT MOST IMPORTANT THING TO LEARN FROM GREEN WAS CHINA'S ATTITUDE, AS PERCEIVED BY PRESIDENT NIXON, TOWARD ITS ASIAN NEIGHBORS AND WHETHER COMMUNIQUE OFFERED PROSPECTS OF FORMAL GUARANTEE OF ASIAN NEUTRALIZATION. TWO OTHER INDEPENDENT PAPERS FRANKLY SKEPTICAL THAT GREEN, NOT HAVING SAT IN ON NIXON/CHOU CONVERSATION, COULD REALLY PROVIDE ASSURANCES THAT NOTHING SECRET DECIDED. DECONTROL UPON RECEIPT. GALBRAITH

BT

#2491

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Classification

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NAA: A1838, 3034/11/161 PART 17



3034/11/175  
(21)

Djk S'gram 17 of 10-3-72 9  
(Eon S'gr).

Foreign Investment

20. New Zealand's largest construction group, the Fletcher Group, is currently finalising an agreement with an Indonesian company for the manufacture, under licence, of ceiling tiles, plywood and particle board. No details

RESTRICTED

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of the size of the proposed operation were given, but a number of Indonesian engineers are to go to New Zealand for training in the processes involved.

2

have been pressing in the past four years.

Turning from social to economic hardships, does the compulsory education law mean that the department can forget about the children of the poor? Under the Education Ordinance, yes. But the ordinance establishing Hongkong's public assistance programme says no. Families earning less than a set level receive aid and their children get special educational benefits.

Surprisingly, it is the children of the more affluent families — those too well-off for public assistance — who may be ignored under the compulsory education law. Asked whether a family earning too much for social welfare could be considered to have suffered an economic hardship by sending a child to school, the government spokesman replied: "That would depend on family circumstances." Apparently the Government envisages a family of Svengalis living on the earnings of a prodigy.

It can be seen that if Sir David meant what he said about rights, a beautiful battle was shaping up in the Government if he had stayed in the job for a few months more. Also, there is no real difference between Hongkong's compulsory education law and that of Britain; it is merely a question of interpretation.

More important than the Education Department's views are its actions — or rather, its inactivity. In six months, the spokesman states, only one child who was not already attending school and only 42 dropouts were brought to the classrooms. These cases were actually referred by voluntary agencies. The department investigated no cases, nor did it refer any to the Social Welfare Department.

Worse, a survey of Hongkong's resettle-

ment dwellers by the Neighbourhood Advisory Service (NAS) revealed that many had never heard of compulsory education. According to this survey, resettlement dwellers are rather good about sending their children to school. Only 1.4% of resettlement, primary-age children were not in school. If the NAS survey is right, the question arises as to where the non-attenders are coming from.

It is clear that Hongkong's new law is having no effect whatsoever, though the Government spokesman insists "the legislation has beneficial effect."

Is compulsory education enforceable in Hongkong? The Education Department obviously does not think so. But after all, the Census and Statistics Department located the 30,000 non-attenders; could not a similar massive effort get them to school? Armed with adequate investigative powers, such a mass effort certainly would have a significant effect. An aid to enforcement would be issuance of a juvenile identity card — long considered by various government departments as part of a battle against juvenile factory employment.

But even if the problem could never be solved completely — Hongkong's marine population being perhaps a tougher problem than migrant workers in the United States — at least a start could be made.

## INDONESIA

### Military in Command

BY DICK WILSON

Djakarta: "It was the first time I've seen Adam Malik stumped for an answer to a reporter's question," said an Indonesian journalist as he recalled the airport press conference when the Indonesian Foreign Minister returned from the United Nations in November. Malik had explained that for his delegation to have voted for the Albanian resolution or abstained (as the Thais did) would have been contrary to Indonesia's interests. An Indonesian reporter asked: "In what specific way would an abstention on the Albanian resolution have harmed our national interest?" Malik was momentarily at a loss for words.

It was the third public surfacing of the foreign policy tensions within the Indonesian Government, the other two involving Malik and General Maraden Panggabean, the outspoken Deputy Commander-in-Chief of the Indonesian armed forces.

A year ago Panggabean remarked that

the Indonesian Army stood ready to go to the help of any Southeast Asian country which was attacked by an outside power. Malik countered this very promptly by saying that Indonesian help in such circumstances would be limited to prayers and diplomatic manoeuvres, but would not extend to arms or troops.

In early November 1971, while Malik was still struggling in New York with the very rigid brief his delegation had been given by President Suharto on the UN-China issue, Panggabean announced in Djakarta that leading generals would go to the Kuala Lumpur foreign ministers' meeting at the end of November — because security questions were on the agenda. All that Malik could do was to say, in response to this, that the military men would be accompanying him as "advisers."

The army — that is, Suharto's military advisers — run foreign policy, leaving only economic matters (trade and aid) to Dr Sumitro and Dr Widjojo, and Malik has very little free rein of his own. General Soenarso, who is Ambassador in Singapore and was formerly in the Peking embassy, is reputedly a principal architect of policy toward the rest of East and Southeast Asia.

There are respectable quarters in Djakarta which see the hand of the American CIA in Indonesia's current ~~stupidly~~ <sup>stupidly</sup> ~~uselessly~~ <sup>uselessly</sup> ~~offending~~ <sup>offending</sup> Peking. Mentions on the Albanian vote in the three leading newspapers were instructive. Indonesia, like Thailand, supported the US Important Question resolution seeking to keep Taiwan in the UN after Peking's entry — but, unlike Thailand, when this move failed and it was obvious that nothing could stop Peking from replacing Taiwan, Indonesia went on record as opposing the Albanian resolution uselessly offending Peking.

Mochtar Lubis in *Indonesia Raya* was the most restrained. "The lesson for us," he wrote, "is that we can trust none of the great powers in the world 100%." The veiled allusion to American "betrayal" was made explicit in B. M. Diah's *Merdeka* the same day. "Indonesia saved America's face," it thundered. "By doing this, however, Indonesia itself lost face... we have the impression that Indonesia has conducted its policy towards the People's of China... in anger, not with a cool head."

And it was left to Rosihan Anwar in *Pedoman* to make the unkindest cut of all. "At present," he commented, "Indonesia is rather like a lackey or a client-state of the US."

The personal experience of Suharto



Attendance figures mock officialdom.

FAR EASTERN ECONOMIC REVIEW

FEBRUARY 19, 1972



the Lusaka Summit of nonaligned heads of government in 1970 was unexpected and of great importance. Sitting and listening to the demagogues of Africa and the Arab world, he came to the conclusion that many of them were not nonaligned at all but openly anti-Western, pro-Peking or pro-Moscow.

"He was disgusted," a close observer told me, "and when he got home Indonesia almost walked out of the club. Then they decided it was safer to stay inside, learn what these people are up to and try to influence them from within."

Dr Sumitro had an almost identical

experience last October in Lima with the Group of 77 developing countries preparing their ground for the UN Conference on Trade and Development (UNCTAD). The Indonesian delegation found most of the Africans and Latin Americans quite unrealistic and immature in their approach to their own economic national interests, and I am told that Sumitro almost came to blows with Senor Santa Cruz of Chile, the leading Latin American "hawk" on the North-South gap.

On China the decision to register a slowing down of what had begun to appear as a regional rush to Peking is a

basic one, though it is now recognised that Malik could have been given slightly more room for manoeuvre at the UN, and Indonesia, subsequently abstained on all the consequential China votes in the subsidiary UN organs.

Air Vice-Marshal Budiardjo, the Minister of Information, insisted in an interview that Indonesia was still pursuing a one-China policy, though he said that "we are considered a little too conservative regarding China policy. We have here a threat of communism against which we have taken an extreme stand. So we are not too eager, not too frenetic, in re-establishing normal relations with China."

Budiardjo went on to say: "We realise we must compromise on this with our good friends in the region." But later in the interview he exclaimed: "If you listened to what Peking Radio says about us you couldn't help being angry, unless you were superhuman!"

The Indonesian Army's appearance at the Kuala Lumpur conference last November represented a determination to convince the ASEAN partners not to take the threat from Peking so lightly. In the long run ASEAN is seen as a mutual security organisation, but on the basis of prior economic development and the build-up of national resilience or self-reliance.

Panggabean, who usually spills the military beans, told the National Defence Institute a year ago: "I will arrange for a joint defence of ASEAN countries. Among other things, visits have been made and students exchanged, but we have not yet come to an arms exchange." Even Malik said a few days later that thought was being given to this possibility.

In November the Defence Ministry revealed that it had been training Malaysians, Filipinos and Cambodians, among others, and there is a certain crusading zeal apparent in the army to make the region defence-conscious and stand up to Chinese brow-beating.

Air Vice-Marshal Budiardjo, questioned on this point, conceded that Malaysia's neutralisation strategy was "well planned and solid." And he added: "We are looking for a regional defence system which does not need expeditionary forces. Our own policy does not allow foreign troops in Indonesia. So we would not expect to send ours elsewhere." But an ASEAN ambassador of a civilian government in Jakarta sadly admitted that "the closest relations between my country and Indonesia are between our respective armed forces."

## NEW ZEALAND Patchwork Alliance

BY ALEXANDER MACLEOD

Wellington: The most striking aspect of the political deal that elevated John Ross Marshall to New Zealand's premiership was the selection of his deputy. Into the No. 2 slot went Robert Muldoon, Marshall's chief rival for the leadership. On the surface, the arrangement indicated a sudden disposition on the part of each to work together — indeed, Marshall actually nominated Muldoon for the second post. The new Prime Minister's motives, however, lay in another direction: just as Britain's Harold Wilson led his party with George Brown at his elbow, Marshall has calculated that the best place to have a rival is under your hand.

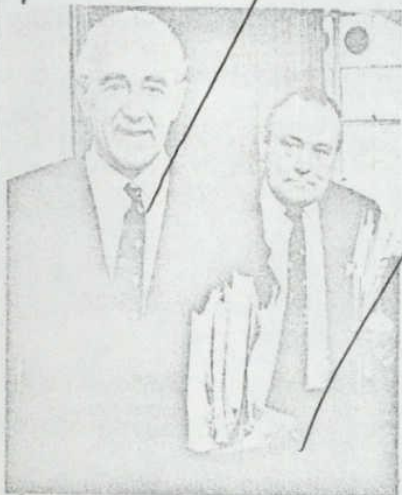
Sir Keith Holyoake's successor has stressed at every opportunity that he expects total loyalty from his thrusting

lieutenant, and in the National Party caucus meeting at which Marshall was chosen, Muldoon gave a specific pledge to this effect. As Marshall readies the party for New Zealand's General Election in November, he can probably count on public support from Muldoon although the bitterness that still exists between them will no doubt remain in the background.

Political observers here are less certain what to make of the manner of Holyoake's going. On the surface, he stepped down because he wanted to, and was happy to see Marshall succeed him. But the fact remains that Sir Keith chose a caucus meeting to announce his "strong wish" to retire. He thus threw his future into the hands of his colleagues. In the ballot that followed Marshall was significantly ahead of Muldoon. Later, Holyoake was at pains to state that his Parliamentary colleagues had "bowed to my wish" to retire, but many observers believe he would have been willing to remain in office if asked.

Local constituency parties throughout the country have rallied firmly behind the new leader. But there is wide interest in how the Marshall-Muldoon team will settle down.

Upon hearing the news, Opposition Leader Norman Kirk, then in London, declared that the two men most responsible for the problems now facing New Zealand had been given the job of leading the country. This is slightly more than a predictable jeer. As Labour Minister, Marshall has been only partly successful in halting industrial unrest. And Muldoon, as Finance Minister, must bear formal responsibility for the state of the economy and the present high rate of inflation. To impress the New Zealand voter enough to keep the National Party in power, the new and rather improbable team must register progress in these two spheres.



Marshall (left) and Muldoon after caucus vote: Looking to November.

FAR EASTERN ECONOMIC REVIEW